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No. 32,104 20/86 ** PARIS, MONDAY, MAY 12, 1986 ESTABLISHED 1887

Britain Expels 3 Syrian Envoys

Reuters

Said Mohammed al-Salam Esmail, the Libyan consul, and Ramadan Ruheim, a commercial attaché, leaving Madrid.

Failure to Aid El Al Bomb Inquiry Cited

By Karen DeYoung
Washington Post Service

LONDON — Britain ordered the expulsion of three Syrian diplomats after Damascus turned down a request that diplomatic immunity be waived to allow the police to question them about last month's attempted bombing of an El Al jet at Heathrow Airport.

A Foreign Office statement Saturday said that Zaki Oud, Ahmad Abdul Latif and Mounir Mouna, all listed as attachés at the Syrian Embassy, must leave the country within seven days. It said that the British government regretted the Syrian refusal that necessitated the expulsions.

[Syria ordered three British diplomats Sunday to leave the country within a week, Damascus Radio said. The Foreign Office in London identified them as Colonel David Maitland-Titterton, defense attaché; David Taylor, first secretary; and Andrew Balfour, vice-consul.]

Britain's expulsions were the first direct move against Syria amid allegations of its involvement in terrorist acts in Europe, including two bombings in West Berlin.

Officials in London said that Syria, which has denied involvement in the El Al incident, had offered to allow the diplomats to be questioned under immunity within the embassy, but that police refused, since information from such diplomatically protected interviews could not be used in court.

Alleged intelligence proof of Libyan involvement in the bombing last month of a discotheque in West Berlin, in which a U.S. soldier and a Turkish woman were killed, was cited as justification for the U.S. air strike against Libya.

British officials indicated that Saturday's expulsions could be interpreted as firm diplomatic action that would preclude the need for military retaliation.

It was not clear whether Britain's desire to question the three diplomats was meant to lead to their prosecution or to help in the prosecution of Nezar Hindawi.

Mr. Hindawi, 31, a Jordanian national, has been charged with conspiracy to commit murder in the April 17 bombing attempt. He allegedly gave his girlfriend a suitcase containing a bomb as she

See EXPEL, Page 7.

Wolfgang Rattay/Reuters

Women in Munich celebrated Mother's Day on Sunday by laying flowers at a rally to denounce West Germany's nuclear power policy after the Chernobyl disaster.

The Associated Press

Workers in Warsaw unload milk donated by Americares, a U.S. private relief agency, from a chartered plane.

11 in EC to Ban Produce From Eastern Europe

The Associated Press

BRUSSELS — All European Community countries except Italy will ban imports of fresh food from Eastern Europe because of the Chernobyl nuclear disaster, a spokesman for the EC's executive body announced Sunday.

The European Commission, fearing imports contaminated by radioactivity, had proposed the ban Wednesday.

An agreement on the ban by all 12 EC member nations was erroneously announced Saturday night by the Dutch ambassador to the EC.

But Italy informed its EC partners later that it had been misunderstood - and had not agreed to the proposal, according to a spokesman for the European Commission, Michael Berendt.

Pending a unanimous agreement, Italy's 11 partners decided to individually stop importing food from seven East European countries: Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the Soviet Union and Yugoslavia.

The countries are located roughly within a 620-mile (1,000-kilometer) radius of Chernobyl. The ban, which will last until May 31 in its first stage, applies to meat, cattle, pigs, poultry, game, freshwater fish, milk products, fruits, vegetables and other fresh products.

The erroneous announcement Saturday that all 12 EC countries had agreed on the ban resulted from the linking of two different decisions.

After some EC member nations began individually to increase their radioactivity controls on imports of fresh food, the European Commission proposed uniform control standards to avoid distortion of free trade.

The Netherlands decided to split the two issues in an effort to secure at least the adoption of the ban on East European food imports.

Italy was reported to have accepted the ban, but not the common food controls. In fact, the Italian government had made an agreement on controls a condition for accepting the ban.

Radiation levels rose throughout most of Europe after an explosion and fire April 26 at a nuclear reactor at the Soviet power plant at Chernobyl, 80 miles north of Kiev in the Ukraine.

■ Europe Studies Its Own Food

E.J. Dionne Jr. of The New York Times reported from Rome:

The countries of Western Europe, divided by conflicting political and economic concerns, are squabbling among themselves over their home-grown produce and whether it is sufficiently free of radiation to be sold for export.

The countries have adopted diverse strategies in coping with the radioactive fallout and its effect on their own agriculture.

Countries that are farther from Chernobyl have been only mildly affected by radioactivity and have adopted fewer measures.

But the more significant factors appear to be political and economic.

Italy, for example, is furious over the guidelines set by the EC on what levels of radioactivity are ac-

See FOOD, Page 7

Reuters-UPI

William P. Rogers

Panel Assails NASA's Lack Of Openness

By Philip M. Boffey
New York Times Service

WASHINGTON — Problems in the space shuttle's booster rockets were "almost covered up" by the National Aeronautics and Space Administration, according to the chairman of a presidential investigative commission.

The chairman, William P. Rogers, said in testimony released Saturday that this was done through a series of actions and documents that minimized the difficulties.

In an unusually testy hearing May 2, Mr. Rogers said that the space agency had repeatedly "glossed over" the seriousness of problems with the rocket's joints and had asserted in "a slick way" that data supported continuing shuttle flights when the data actually did not.

It was the first time anyone on the panel investigating the loss of the shuttle Challenger and its crew of seven had made such a charge.

The testimony the commission made public Saturday was taken at a closed hearing.

Two engineers for Morton Thiokol Inc., the company that built the rockets, testified at the hearing that they were severely punished for telling the panel they had argued against the launching.

Much of the session focused on documents, found by commission

See SHUTTLE, Page 7

Spain Seizes 10 in Plot To Attack U.S. Interests

By Tom Burns
Washington Post Service

MADRID — The police have arrested 10 suspected members of an international terrorist ring that allegedly is funded by Libya and has been planning attacks on U.S. interests in Spain, the Interior Ministry announced.

A statement issued Saturday by the ministry said that a Jordanian, a Syrian, three Lebanese brothers, four Spaniards and a Portuguese citizen were being held under Spain's anti-terrorist laws.

The five Middle East nationals, according to the ministry, were closely connected with Libyan officials in Madrid who supplied funds and instructions for terrorist actions by the group, known as "The Call of Jesus Christ."

The announcement followed the expulsion Friday of Libya's consul in Madrid, Said Mohammed al-Salam Esmail.

The Spanish government alleged that Mr. Esmail organized meetings in Libya between Colonel Moamer Qadhafi and a rightist Spanish Army officer who was seeking financing for his activities in Spain.

Mr. Esmail, who left Spain on Saturday, said that the officer, Colonel Carlos Meer de Rivera, had "never ever" been to Tripoli. He called the allegations part of a "dirty game" to smear Libya.

The ministry said the breakup of the alleged terrorist ring and the exposure of its links with Libya followed the detention May 2 of a Spaniard, Victor Cerro, and a Portuguese, Victor Manuel Romano.

The two men were seized near the Bank of America headquarters in Madrid with nearly 10 pounds (almost 4.5 kilograms) of explosives, the statement said.

In addition to the aborted bombing, a number of other attacks on U.S. businesses in Spain were planned, the statement said.

According to the ministry, Mr. Cerro and Mr. Romano said that one of the Lebanese brothers who was arrested, Feisal Hanna Joudi, had promised to pay them $70,000 to bomb the bank. The two men said that Libyan officials had issued orders to Mr. Joudi and had given him funds.

Mr. Cerro and Mr. Romano also confessed, the statement said, to taking part in a bomb attack on the offices of Air France in Lisbon on April 10. They were hired to carry out that attack by Libyan officials acting through Mr. Joudi, the statement said.

The other Joudi brothers, identified as Danny and Freddy, provided support for Feisal Joudi, the ministry said. It said the Jordanian, Rabah Musa Mohammed Abu Kamis, acted as the go-between with the Libyan officials in Madrid.

The Syrian, Faied Jazzan, was described by the Interior Ministry as the "military chief" of the Call of Jesus Christ in Spain.

The statement said the three other Spaniards detained played a role in the recruitment of Mr. Cerro and Mr. Romano and had supplied explosives and hideouts for the gang.

The Call of Jesus Christ was created in 1978 in Lebanon by Feisal Joudi, the statement said, and draws support from Middle Eastern members of the Greek Catholic Church in Alexandria, Egypt.

The group claims to be fighting for the freedom of Palestinians from Zionist domination.

Soviet Aides Say 'Major' Peril Is Over

By Serge Schmemann
New York Times Service

MOSCOW — Soviet officials said Sunday that a turning point had been reached and that the Chernobyl reactor was no longer a "major" threat that could lead to "catastrophe."

It was the first time since an explosion set the No. 4 reactor ablaze April 26 that the Russians used the term catastrophe, thereby acknowledging the enormous danger posed by the accident.

Until now, the most that Soviet press accounts had said was that "the situation remains complex."

Official casualty figures remained at 2 dead and 204 injured.

"The situation at the Chernobyl atomic power station no longer poses a major threat," Yevgeni P. Velikhov, a physicist who is the vice president of the Soviet Academy of Sciences told the press agency Tass. "Today marked a turning point in the situation."

"Theoretically, until today, there existed the possibility of a catastrophe since a large amount of fuel and reactor graphite remained in an overheated condition. Now that possibility is no more."

The evening television news showed a jubilant air at the emergency disaster headquarters at Chernobyl.

Ivan S. Silayev, a deputy prime minister and official of the government commission investigating the accident, said, "Of course, this is a historic moment," and he added: "The danger is over."

The officials, however, did not explain what catastrophe had been avoided or what findings led to their conclusion.

Soviet officials have given sketchy and often contradictory information over the past two weeks

See SOVIET, Page 2.

Aquino: An Unknown Quantity to U.S.

By Seth Mydans
New York Times Service

MANILA — "She's still an enigma to them," said one of Corazon C. Aquino's closest advisers. "The Americans really had long, friendly relations with Marcos, and now they're faced with something entirely new."

In the crucial days of the revolt in February, the United States and

NEWS ANALYSIS

Mrs. Aquino's backers cooperated to pry Ferdinand E. Marcos from his presidency. There was a happy moment when the two nations shared credit for the bloodless change of government.

But in the 10 weeks since then, the Aquino and Reagan administrations have been eyeing each other with some wariness as they seek a new working relationship.

Manila is distrustful of President Ronald Reagan's longstanding friendship with Mr. Marcos, and irked at what it sees as the tardy delivery of economic aid that it understood had been promised. Washington seems puzzled by the ambiguities in the new government's policy, in particular in its attitude toward the Communist insurgency, the U.S. bases and the huge foreign debt.

"I think there is not as much meeting of the minds between the Americans and Cory as between the Americans and Marcos," said a Philippine journalist. "They dealt with Marcos for 20 years, and now they have Cory, an unknown and potentially dangerous factor."

The U.S. secretary of state, George P. Shultz, was here last week, and both sides seemed to make an effort at accommodation. His 45-minute meeting with Mrs. Aquino, as described by the information minister, Teodoro Locsin Jr., avoided substantive discussion of their differences and was marked by formality and "a certain correctness" on both sides.

The Philippines had been pressing for more aid than was in the limited package offered by the Reagan administration. Asked after the Shultz visit whether his government was satisfied with the package, Mr. Locsin said: "It's not whether we're satisfied. It's what we have to live with."

The United States had been urging the Philippines to grant Mr. Marcos a passport so he could leave Hawaii for a third country. After talking with Philippine officials, Mr. Shultz concluded, "under the circumstances, he probably will be staying in Honolulu."

Philippine officials had said that Vice President Salvador H. Laurel was enunciating government policy when he spoke in Bali, Indonesia, two weeks ago of "cobwebs of doubt" about the Reagan administration's attitude toward the new government. Now the officials said

See AQUINO, Page 6.

Reagan Criticized Over Philippines

Los Angeles Times Service

WASHINGTON — The chairman of the Senate Foreign Relations Committee, normally a stanch defender of administration foreign policy, has criticized President Ronald Reagan for failing to strongly embrace the new Philippine government.

The chairman, Richard G. Lugar, said Friday that former President Ferdinand E. Marcos, whom he blamed for "literally a rape of that country in terms of economic resources," had abused his haven in Hawaii.

The Indiana Republican asserted that statements by Mr. Reagan and administration officials had reflected skepticism about the ability of the government of President Corazon C. Aquino to run the country, and "some ambivalence, some lingering thought as to what our relationship is to President Marcos."

Mr. Lugar said that the administration should, instead, express unequivocal support for Mrs. Aquino.

South African Troops, Police Mount Security Sweep in Black Township

Compiled by Our Staff From Dispatches

JOHANNESBURG — Hundreds of policemen and soldiers have mounted a security sweep in Alexandra, a black township near Johannesburg that has been the scene of frequent violence, arresting 16 persons in house-to-house searches.

The combined police and army force of 1,670 men sealed off the black township early Saturday morning, put up roadblocks and began searching homes and residents as they entered and left.

The crackdown continued Sunday as armored vehicles blocked all exits from the township, which has a population of 100,000 and is situated among some of Johannesburg's wealthiest white suburbs northeast of the city. Soldiers in combat gear and armed with rifles guarded the perimeter of the township.

A police spokesman said the operation, designed to clamp down on crime and political unrest, would go on until further notice. Residents said that anti-apartheid activists had gone into hiding, believing the crackdown was aimed at them.

Alexandra, in the midst of a light industrial zone, has been the scene of numerous violent clashes between residents and the police this year.

More than 20 blacks were killed in disturbances in February. Several more were killed in renewed violence late last month.

Trenches have been dug by young activists to stop armored personnel carriers in which the police patrol the township's shabby precincts. They give the impression of a battlefield, which is what Alexandra has become as activists and security forces have engaged in a struggle for control.

All locally resident black policemen have been withdrawn from Alexandra and housed with their families in temporary camps adjoining police stations. All nine members of the township council, including Mayor Sam Buti, have resigned.

The declared objective of the activists to make the townships "ungovernable" has become a reality in Alexandra, as in several other areas.

The activists — mainly members of two community organizations called the Alexandra Civic Association and the Alexandra Action Committee — have sought to establish an authority of their own in the power vacuum.

They organized residents into "street committees" that were beginning to establish a rudimentary form of administration. The committees organized anti-crime patrols and established a series of "people's courts" to mediate in disputes, dispense crude justice and enforce compliance with decisions for collective political action.

The government show of force Saturday began two days after gasoline-bomb attacks in neighboring white suburbs, one against an Anglican church and another on the home of a white in the suburb of Kew. A clinic is Alexandra also was attacked Thursday.

Elsewhere in South Africa, the police said that seven blacks were killed in anti-apartheid violence over the weekend, including four on Sunday.

Local security officials shot dead three black youths in the Diepkloof area of Soweto, Johannesburg's black satellite on the opposite side of the city from Alexandra.

(NYT, Reuters, WP)

Recent Violence in Sri Lanka Is Seen as Watershed

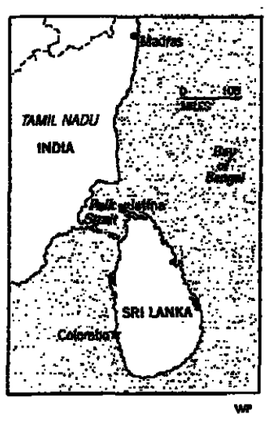
By Barbara Crossette
New York Times Service

COLOMBO, Sri Lanka — Two weeks of stepped-up violence in Sri Lanka have altered the decadelong armed struggle between ethnic Tamil guerrillas and the Sinhalese-dominated government of President Junius R. Jayawardene, according to diplomats and Sri Lanka officials.

All signs, they said, pointed to a more critical and probably more dangerous time for Sri Lanka, which has been considered a model of democracy and development for the third world.

The bombing on May 3 of an Air Lanka jet preparing to leave Colombo International Airport with foreign vacationers aboard added an international dimension to the terrorist campaign. Officials said it also could deliver a final blow to the remaining hopes for a tourist industry here. Of the 16 persons killed in the attack, 13 were foreigners.

The explosion four days later that destroyed the interior of Colombo's Central Telegraph Office, killing 12 persons and wounding more than 100, brought the violence to the heart of the capital.



WP

The Colombo bombings coincided with a less-publicized but possibly more important two weeks of violence in northern Sri Lanka, which is dominated by rebels, diplomats said. In the north, a series of factional fights between guerrilla groups in the Jaffna area ended with the Liberation Tigers of Tamil Eelam in control. They are the best-armed and organized as well as the most violent and intransigent of the separatist armies.

At least 175 Tamils died at the hands of fellow Tamils, and among the dead was the leader of the Tamil Eelam Liberation Organization, the only group previously capable of challenging the Tigers for military control or for influence in negotiations with the government. The ascendancy of the Tigers, diplomats said, would make talks more difficult, if not impossible.

"The government will now not face a fragmented movement, but a coherent, unified, militant leadership with a proven track record," said Neelam Tiruchvam, a Tamil lawyer and politician who has remained in Colombo. "When challenged, the L.T.T.E. was able to assert dominance in a matter of hours — and at a terrible price."

Mr. Tiruchvam acts as the spokesman in Colombo for the Tamil United Liberation Front, a legal political entity driven out of Parliament when its members refused to take an oath supporting a "unitary" state. He added that the violence in Jaffna had "traumatized" moderate Tamils, who have been critical of the bombing attacks.

If, as the government asserts, the bombings in Colombo are also the work of the Liberation Tigers, the new tactic would be widely rejected by most Tamils, Mr. Tiruchvam said, without suggesting what effect this might have on support for the separatist campaign.

"Whoever is responsible for the violence, there will be an unqualified condemnation," he said. "This is totally unacceptable. The Tamil struggle is based on certain moral ideas. The moral edge would get blunted when we complain about abuses by the army if Tamils are doing these things. This would be a setback to the Tamil cause, particularly abroad."

Finally, the mediating role of India may have been undermined. Diplomats and officials in Colombo said that New Delhi had been counting on the Tamil Eelam Liberation Organization, the more moderate group badly hurt in the fighting in Jaffna, as the group most likely to agree to a peaceful settlement of the conflict.

Since most of the Tamil separatist groups have political headquarters in the southern Indian state of Tamil Nadu, New Delhi has the additional potential problem of having a guerrilla army beholden to no one in a position of strength on Indian territory.

India's decision last year to deport two of the Tigers' leaders led to demonstrations in the state and forced a reversal of the decision. Fighting between rival Tamil groups flared last week in the Indian city of Madras, mirroring the Jaffna attacks.

■ Jayawardene Calls for Aid

Mr. Jayawardene was quoted Sunday as saying that Tamil guerrillas would divide Sri Lanka unless Western nations supplied his government with arms and money, The Associated Press reported from London.

"The outside world must help now, because this is now an international problem," The Sunday Times quoted Mr. Jayawardene as saying in an interview last week in Colombo.

"Ours is a democratic country," he was quoted as saying, "and it is being destroyed by these people."

INSIDE

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■ President Reagan says he supports the tax reform bill proposed by the Senate Finance Committee. Page 3.

BUSINESS/FINANCE

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OPINION

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PERSONAL INVESTING

Futures and options have not only become an integral part of today's market, they now are major markets in their own right. Page 11.

Funding, Deployment Of Chemical Weapons Hinge on NATO Debate

By Steven J. Dryden
International Herald Tribune

BRUSSELS — NATO appears ready to endorse the Reagan administration's plan to begin production of new chemical weapons, but U.S. officials are uncertain if the level of alliance support will satisfy congressional requirements.

Congress agreed in December to the resumption of chemical weapons production. The United States halted manufacture in 1969, but the administration argued that existing U.S. weapons should be modernized to counter a chemical arms buildup by the Soviet Union.

Congress linked funds for new weapons to approval by the North Atlantic Treaty Organization. Many of the weapons would be deployed in NATO countries.

The approval will be sought through the use of a NATO procedure that makes production of new chemical weapons a U.S. "force goal." Hundreds of force goals for NATO members are adopted by the alliance every two years, usually without debate.

Sources at NATO said they believed the weapons force goal would be adopted. A source said that, in general, "The system does not allow the veto of another country's force goal."

But the sources said it was uncertain if Congress would view the adoption of the force goal as sufficient approval, since several NATO members plan to state their opposition to the new chemical weapons or to deployment on their territory.

"I'm reasonably optimistic as to how it will go here," a U.S. source in NATO said. "But how the outcome will register back home, I wouldn't bet a dime on that."

The use of the force-goal procedure has been portrayed by U.S. officials as a way of avoiding a divisive political debate in Europe.

David M. Abshire, the U.S. representative to NATO, told a Senate subcommittee last month that "we have tried to avoid having this issue become a political football in Europe." The force-goal procedure, Mr. Abshire said, relieved other NATO countries of direct responsibility for the new weapons.

The U.S. chemical-weapons force goal, which has already been approved by NATO military leaders, must clear two more hurdles before it is formally adopted by the alliance.

On Thursday, NATO ambassadors will be asked to adopt the entire alliance force-goal package, including the U.S. chemical weapons. On May 22, NATO defense ministers, at their spring meeting in Brussels, are expected to complete the process.

Six NATO members — West Germany, the Netherlands, Denmark, Norway, Italy and Belgium — have asked to make statements on chemical weapons at the Thursday meeting.

A Dutch Defense Ministry official said his country would state its opposition to the weapons and argue that priority should be given to negotiations with the Soviet Union to ban chemical weapons.

Denmark will also indicate its disapproval, an official said.

West Germany's position is regarded as especially important in the NATO debate, as well as in securing final congressional approval for the weapons.

President Ronald Reagan and Chancellor Helmut Kohl of West Germany, in a meeting at the Tokyo summit session, agreed on the terms for deployment of the weapons.

The agreement specifies that existing chemical weapons will be withdrawn from West Germany by the end of 1992 and that Bonn will not be the only NATO country asked to deploy the new arms, West German officials said.

Congress, when it approved the new chemical weapons, required the administration to consult with the NATO allies about conditions for deployment. The United States has said the new weapons would only be deployed in a time of crisis.

The administration must report back to Congress on the NATO consultations by Oct. 1. The agreement with West Germany, however, raises the question of whether the United States can secure the approval of other NATO allies for crisis deployment of the new chemical arms, defense analysts said.

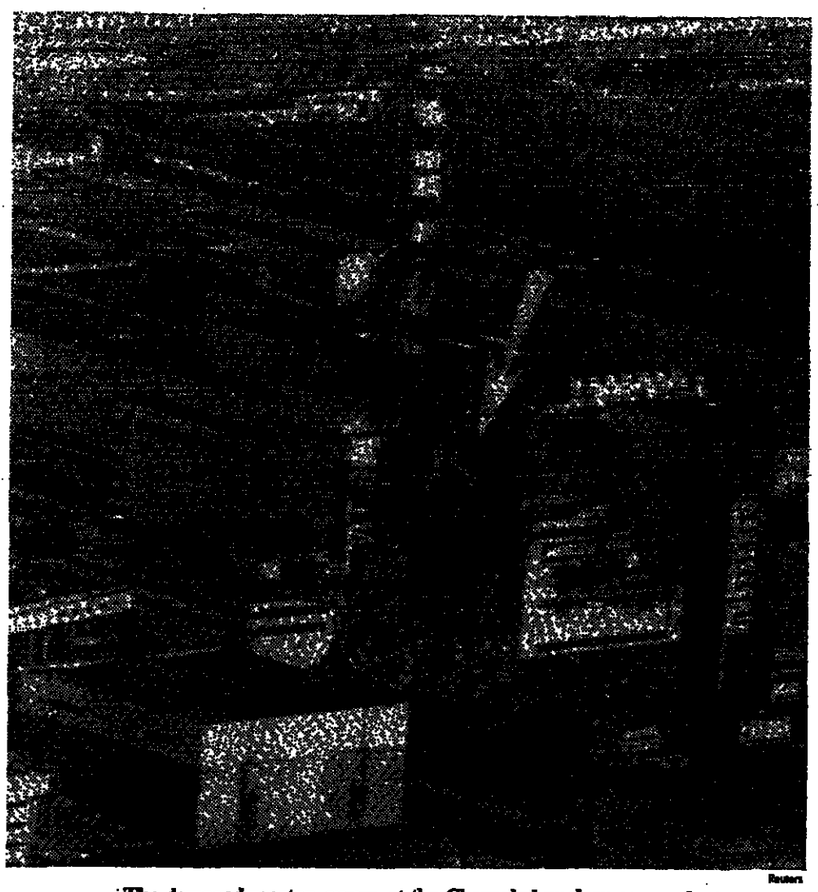
The new chemical weapons are known as binary weapons because they they consist of separate ingredients that are only lethal after they have been mixed. The mixing takes place inside the casing after a weapon has been fired or dropped from an aircraft.

Tokyo Parade Honors British Royal Couple

The Associated Press

TOKYO — Prince Charles and his wife, Diana, Princess of Wales, were driven Sunday through Tokyo in a limousine along a route lined by thousands of spectators.

Charles and Diana arrived in Osaka on Thursday and are scheduled to leave Japan on Tuesday.



Reuters

The damaged reactor, arrow, at the Chernobyl nuclear power plant.

Soviet Releases Data on Reactor

Citizens Are Warned of Health Risks Posed by Radiation

By Philip Taubman
New York Times Service

MOSCOW — On Saturday, for the first time since the Chernobyl nuclear accident April 26, the government published detailed technical information for dissemination inside the Soviet Union about the health risks posed by radioactive emissions from the Ukrainian power station.

A dispatch by three correspondents from the official press agency Tass discussed the danger of radioactive contamination of agricultural products, including milk.

In a formal bulletin Saturday, the government said temperatures inside the graphite core of the nuclear reactor were "down substantially" and added that the "burning process" inside the graphite core had been effectively halted.

The bulletin, made public by Tass on behalf of the council of ministers, said the drop in temperature was "indicative of a practical termination" of the burning process in the graphite core of the reactor.

The bulletin also said radioactive emissions from the reactor had dropped sharply, but it gave no figures on either temperature or radiation emissions.

The exact status of the reactor core is unclear. Western experts say they believe that the core is still burning or smoldering, although temperatures are falling and the chances are remote that molten fuel could burn through the reactor foundation and into the groundwater, causing an explosion.

Even as domestic press coverage of the Chernobyl disaster increased during the last week and warnings were issued in Kiev to keep windows closed and to wash frequently, there was no specific reference to the health consequences of radiation exposure.

Authorities in Kiev, 80 miles (130 kilometers) from the reactor, announced Friday that elementary schools and kindergartens would be closed for vacation on May 15, 10 days ahead of schedule.

They said 250,000 students would be affected. Earlier in the week, after a change in prevailing winds blew radioactivity toward the Ukrainian capital, health officials told residents to keep windows closed, mop floors frequently and wash their hands and hair often to reduce the chances of radiation contamination.

The Tass dispatch about contamination said, "Even a small amount of radioactivity entering the environment can become a source of great calamity."

The dispatch reported for the first time in the Soviet Union that radioactive substances from the damaged reactor had spread to Eastern Europe and Scandinavia.

Although Soviet commentators have said Western politicians and journalists have exaggerated the Chernobyl accident to embarrass Moscow, the government had not disclosed that radioactive substances spread over most of Europe in the first days after the accident.

The television news Saturday included a discussion about how the accident was being used in the West for political purposes. Such allegations have been made frequently by Soviet journalists since the accident was reported April 28, two days after it happened.

On Friday, Hans Blix, director of the International Atomic Energy Agency, said that this had been the world's most serious nuclear accident and that it was "rightly receiving unique attention." This portion of Mr. Blix's press conference was deleted by Soviet television.

The Tass dispatch quoted Yuri A. Izrael, chairman of the State Committee for Hydrometeorology and Environmental Control, as saying that a number of radioactive isotopes, including Iodine-131, were released into the atmosphere.

The government bulletin reported that decontamination work was going on in the Chernobyl area. It also said work was continuing to "consolidate the reactor's foundation," apparently a reference to efforts to encase the damaged reactor in concrete.

The process, known as entombment, is intended to seal off any release of radioactive material and to avoid the possibility that molten fuel might sink into the groundwater.

The bulletin Saturday reported that radiation levels at a distance of about 35 miles from the reactor, and in Kiev were "absolutely safe to people's health."

Southeast Asia Reports Rise in Radiation Levels

By Michael Richardson
International Herald Tribune

KUALA LUMPUR, Malaysia — Fallout from the Chernobyl nuclear accident in the Soviet Union has reached Southeast Asia, but officials from the region's atomic research industry have urged people not to be alarmed.

The officials have also said that only the safest technology would be used in reactors in the region.

Jali Ahimsa, head of the National Atomic Energy Agency, or BATAN, said in Jakarta on Friday that Indonesia would use Western technology and equipment for its first nuclear power plant, work on which is scheduled to begin in 1988.

He said that no decision had been made on the type of system to be installed. But, he said, it would not be a Soviet-designed reactor or one using graphite.

Early this month in the Philippines, in a decision that a cabinet spokesman said was influenced by the Soviet accident, Manila announced that it had decided to delay indefinitely the start-up of an almost-completed nuclear power station. The spokesman said the 620-megawatt plant designed by Westinghouse Corp. might be scrapped.

On Friday the head of the Philippine Atomic Energy Commission, Manuel Eugenio, said that radioactive fallout from the Chernobyl accident had reached Manila.

Mr. Eugenio reported a slight increase in radiation levels in the Manila area and traces of Iodine-131 and Cesium-137.

But he emphasized that the higher readings still were well within the safe level of normal background radiation and that there was no danger to public health.

Ahmad Sobri Hashim, director-general of Malaysia's Nuclear Research Center, said Saturday that no radiation increase had been detected in Malaysia.

The Philippine reactor would have been Southeast Asia's first commercial nuclear power station.

Malaysia, Vietnam and Indonesia have nuclear research reactors in operation and Hanoi and Jakarta have announced plans to use atomic power to generate electricity within the next decade.

Vietnam, which is receiving technical assistance from the Soviet Union and India, has not commented on the Chernobyl accident.

Malaysia has a one-megawatt U.S.-made research reactor. But Prime Minister Mahathir bin Mohamad said in an interview Friday that his government did not intend to move to nuclear power generation until Malaysia had exhausted its "huge" hydroelectric potential.

Research reactors are much smaller than those used to generate electricity. They are intended for scientific work and production of radioactive isotopes that have applications in medicine, agriculture, industry and hydrology. They also can be used to train operators of large nuclear power plants.

Indonesia has the most advanced nuclear research industry in the region. It is building a large research reactor within the government's scientific and technological research complex at Serpong, 16 miles (25 kilometers) southwest of Jakarta.

Interatom GMBH, a subsidiary of Siemens AG, one of West Germany's leading industrial companies, signed a $92-million contract with Indonesia in 1981 to build the reactor.

Indonesia's minister of state for research and technology, Bachrudin Habibie, said in April that the Serpong nuclear research installation would be finished by the end of 1987 and that construction of the country's first nuclear power plant should start the next year.

But other Indonesian officials say that plans to generate electricity using nuclear power should be reviewed.

They point out that in addition to concerns about safety, the recent fall in the prices of oil, coal and natural gas are making the economics of atomic power much less attractive.

U.S. Will Charge To Inspect Bags

The Associated Press

WASHINGTON — Beginning July 7, the U.S. Customs Service will charge $5 per person for inspecting the luggage of travelers entering the United States by plane or ship, the agency announced Sunday.

The fees were authorized by legislation passed by Congress last year and signed by President Ronald Reagan last month. Fees will not be levied on passengers arriving from Canada, Mexico, Caribbean countries or U.S. territories unless they come aboard their own planes or boats, the announcement said.

The charges, expected to bring in $220 million a year, are needed to raise the agency's staff levels to cope with a higher workload.

Gorbachev Remains Silent on Chernobyl

By Charles Bremner
Reuters

MOSCOW — Two weeks after the Chernobyl disaster, Mikhail S. Gorbachev has yet to utter a public word on the nuclear accident or on the chain of human errors that experts now say greatly increased the casualties.

Although the political fortunes of a leader depend far less on public image here than they do in the West, diplomats say that Mr. Gorbachev's failure to visibly intervene in the Chernobyl affair is startling.

"This is a man who has been showing for the past year how much he is in charge," said one European envoy. "His silence is beginning to look strange, not just abroad but at home as well."

The only visible action by the Politburo was a visit to Chernobyl by Prime Minister Nikolai I. Ryzhkov and Yegor K. Ligachev, the second-ranking member of the Politburo, a week after the accident. They made no public statements, and no photographs of the visit were released.

Mr. Gorbachev's failure to make any statement contrasts with his highly publicized initiatives on foreign affairs and his on-the-spot intervention in such problems as the flagging Siberian oil industry.

Diplomats, piecing together the emerging details, say it is clear that the Kremlin at first misjudged the gravity of the Chernobyl accident because of local errors and a communication failure.

That explains the decision to portray the accident in the official media as a local problem, despite Mr. Gorbachev's campaign for more open reporting of negative news.

That decision was reversed last week. Although many questions remain unanswered, reports have been issued on state television and in the press, and foreign reporters were taken to Kiev, 80 miles (130 kilometers) from the site of the accident.

Diplomats say Mr. Gorbachev must soon offer a public account of the Chernobyl accident and of what appears to have been a series of errors, at least by the local authorities.

The Ukrainian prime minister, Alexander Lyashko, said that the Chernobyl authorities immediately reported the initial explosion to Moscow on April 26. But they said the fire was under control and there was little radiation risk, he said.

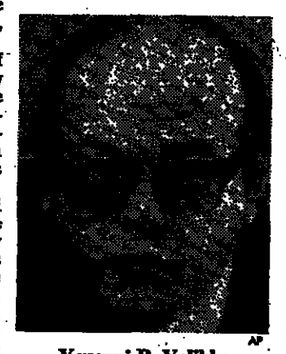
Moscow realized the scope of the accident on April 28, Mr. Lyashko said.

Valentin M. Falin, head of the Soviet press agency Novosti, said in an interview that Mr. Gorbachev received the first report on April 26, but "obtained the first detailed information" at a special Politburo meeting two days later.

Diplomats noted that the first public report was issued after that meeting, in which the Politburo appointed an investigative commission.

The authorities maintained a near blackout on news about the disaster for several days and accused Western governments of exaggerating the incident.

The switch from minimum news coverage to reporting making it clear the nuclear accident was a major event has damaged Mr. Gorbachev's prestige at home as well as abroad, diplomats said.



AP

Yevgeni P. Velikhov

SOVIET: *Peril Lessens*

(Continued from Page 1)

on the state of the reactor, ranging from claims that the fire had been extinguished to reports that the graphite core was generating heat.

Mr. Silayev showed an aerial photograph taken Sunday of the power station that he said showed no smoke or "glowing spots."

He said that these observations and a series of analyses and tests led to the conclusion that "the main danger was behind."

It was possible that infrared temperature readings from inside the reactor's graphite core had dropped to levels that precluded a meltdown.

Mr. Velikhov said that with the danger now lifted, a "new stage" opened in the work to combat the Chernobyl accident.

Mr. Velikhov said that work needed to be done to determine the most contaminated spots in the reactor and to deactivate and contain radioactive substances, "which guarantees against their getting into groundwater."

Official statements have reported work to build dykes along the banks of the Pripyats River, which runs by the plant, to prevent contaminated water from reaching it.

Qatar Is Freeing 17 Seized on Reef

Reuters

THE HAGUE — Qatar is releasing 17 of the 30 foreign workers seized in a territorial dispute with Bahrain last month, the Foreign Ministry said Sunday.

The workers being freed include a Dutchman and the two Britons, a spokeswoman for the ministry said. The 30 workers, all employed by a Dutch company, were seized April 26 as they prepared a site for a Bahraini coast guard base on the Fahstad-Dibal reef, which also is claimed by Qatar.

A chargé d'affaires from the Dutch Embassy in Kuwait planned to meet the released captives Sunday in Doha, the Qatari capital.

WORLD BRIEFS

East German, Ex-Party Aide, Emigrates

BERLIN (AP) — Hermann von Berg, a former ranking member of the East German Communist Party who was stripped of his powers, emigrated Sunday to West Germany.

Mr. Berg, 53, a former ranking party member and economics official, represented East Germany in trade negotiations with West Germany during the 1960s and early 1970s. In 1978, he was stripped of his party and Economics Ministry positions and imprisoned for three months on suspicion of anti-state activity. He was rehabilitated later but again lost favor in the early 1980s when authorities suspected him of giving unauthorized information to a West German magazine.

Mr. Berg, who had become increasingly outspoken in his criticism of East Berlin's Communist system, resigned from the party in August and applied for permission to emigrate. Mr. Berg left East Berlin by train Sunday and traveled to Cologne.

Deaver Approach by Canada Revealed

WASHINGTON (NYT) — While Michael K. Deaver was still a senior White House aide but after he had announced his intention to set up a lobbying business, a Canadian official told him that the government of Canada could use a man of his talents, the Canadian ambassador to the United States has acknowledged.

The information was contained in a letter Friday from Allan E. Gotlieb, the ambassador, to Representative John D. Dingell, chairman of the House Energy and Commerce Committee. The letter, which did not identify the Canadian official, was Ottawa's first acknowledgment that the idea of Mr. Deaver's working for Canada had been raised while he was still a White House official. The contact was made in March 1985, two months before Mr. Deaver left the White House.

A subcommittee headed by Mr. Dingell is seeking to determine whether Mr. Deaver lined up Canada as a client while serving in the White House, and whether he subsequently lobbied in connection with an issue in which he had been "substantially and personally involved" while in office. That would be a violation of conflict-of-interest laws.

Salvador Rebels Called Open to Talks

LIMA (UPI) — President José Napoleón Duarte of El Salvador said Sunday that President Alan García Pérez of Peru had spoken to representatives of the Salvadoran rebels and that they might be ready to resume formal peace talks.

Mr. Duarte, on the third day of a four-day visit to Peru, said his government "definitely" would offer an amnesty to any rebels willing to end the civil war. He speculated that members of Mr. García's center-left political party might help bring about new talks between his government and rebel leaders.

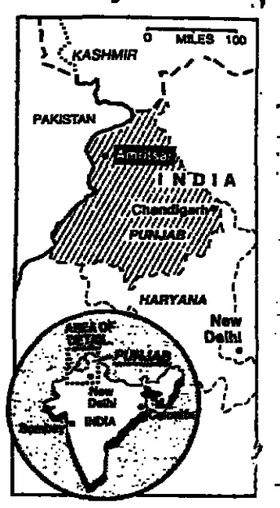
He said that officials of the rebels' political wing, the Democratic Revolutionary Front, had told Mr. García "that they were looking for a way to incorporate themselves in the process." He added, "My duty is to open the space and offer securities so that all those up in arms can incorporate themselves in the democratic process."

Sikhs Kill 3 Hindus in Punjab Market

AMRITSAR, India (UPI) — Sikhs killed three Hindus in a market near Amritsar on Sunday and the police used tear gas to disperse Sikh moderates who clashed outside the Golden Temple in a dispute over the recent police assault on the shrine.

The authorities said that three Sikh extremists opened fire on Hindus in a grain market in Nushera Panuan, about 20 miles (32 kilometers) south of Amritsar. Three Hindus were killed and three others were seriously wounded. About 45 people have been killed by Sikh extremists since a police assault April 30 on the Golden Temple.

The police clashed Sunday with Sikh moderates waiting outside the complex for a visit by dissident leaders of Punjab's moderate Sikh government. The police said that supporters of the dissident leaders began fighting with followers of Surjit Singh Barnala, whose government was reduced to a minority last week when 27 of his Akali Dal legislators broke away.



The New York Times

Bombing Suspect Arrested in France

NANCY, France (AP) — A 25-year-old Tunisian suspected of being involved in several terrorist attacks, including bombings of the British-owned Marks & Spencer department stores in Paris and London, has been arrested and ordered detained, official sources said Sunday.

The suspect, identified as Habib Maamar, was arrested Friday during a police investigation of a domestic quarrel. A search of the apartment Mr. Maamar shares with an Algerian girlfriend uncovered explosives, and the sources said that he associated with people suspected of being linked to terrorism.

One person died and 14 were injured in the bombing Feb. 23, 1985, of Marks & Spencer in central Paris, and two people were injured in a bomb explosion on Christmas 1983 at the London store on Oxford Street. Mr. Maamar also has been linked to a bombing attack on the Paris office of Israel's Bank Leumi in August 1984.

For the Record

Four U.S. Marines were killed and a fifth was injured Friday when a helicopter crashed during training exercises near Twentynine Palms, California. Fifteen servicemen have been killed and nine others have been injured in five crashes of the Super Stallion, the military's largest helicopter, since June 1984. *(LAT)*

Police and rioters clashed Sunday for the third day in Karachi, Pakistan, where an indefinite curfew has been imposed to curb ethnic violence. *(UPI)*

The fifth summit meeting of the 46-member Organization of the Islamic Conference will be held in Kuwait in January 1987, a Kuwaiti official said. *(AFP)*

Seven policemen and two pickets were injured Sunday in a protest outside a London newspaper plant owned by Rupert Murdoch, police said. *(Reuters)*

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Sweden*	S.Kr.	1,700	920	520
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AMERICAN TOPICS

Don Bryan/The Associated Press

HOPING IT WORKS — Mike Sanders of Hampstead, North Carolina, shielded his face as a plane dropped fire retardant on a blaze that has scorched over 50,000 acres and forced an estimated 5,000 people from their homes.

'Blow-Dried' Isn't What Counts In the Senate, Observer Says

Anarchy reigns in Congress, it is said, in part because the national media are all too eager to cover any junior member who wants to say something. Howard H. Baker Jr., as the Senate Republican leader in 1984, said, "If you don't let them do anything on the floor, they do it on the steps, and somehow there is always a TV camera out there, and there is always a reporter that will listen."

Many political scientists agree that news coverage has made Congress more decentralized and less disciplined, The New York Times reports. But the conventional wisdom is wrong, at least for the Senate, according to Stephen Hess, a veteran media observer who has tracked the coverage of all 100 U.S. senators by the three national television networks and by five major newspapers for one year.

His conclusion: News coverage of the Senate focuses increasingly on a relative handful of established leaders. Those senators who are merely "young, attractive and blow-dried," in Mr. Hess's words, are being ignored. In 1983, he reports, 10 senators got fully 50 percent of national media attention: Mr. Baker, John Glenn, Alan Cranston, Bob Dole, Gary Hart, Ernest F. Hollings, Edward M. Kennedy, Jesse Helms, Pete V. Domenici and Daniel Patrick Moynihan.

The senators who ranked in the bottom 33 percent for television footage and newspaper column inches got only 5 percent of the publicity.

Short Takes

The Rockefeller fortune has been shared with the American people in such forms as the Palisades Park system in New Jersey and Colonial Williamsburg in Virginia. The family's latest gift is the Rockefeller State Park Preserve, 743 acres (300 hectares) of the 3,600-acre Pocantico Hills estate north of New York City that has been home to four generations of Rockefellers starting with John D. Rockefeller Sr., who began purchasing the land in 1893.

"It's a 20th-century form of the stocks that used to be in front of the courthouse," says Ulys Stapleton, Lincoln County prosecutor in Newport, Oregon. Convicted felons who want to plea-bargain their way out of prison sentences are required to publish apologies for their crimes. The first ran as an advertisement in the weekly Newport News-Times. It included a police mug shot of Tom Kirby, who was convicted of burglary, and his statement, which began, "I wish to apologize to the people of the city of Newport for all of the problems I have caused."

Shorter Takes: Although four-fifths of the states now have mandatory seat belt laws, "fewer than one-fourth of U.S. adults use seat belts regularly," according to the federal Centers for Disease Control. . . . Women are the presidents of one out of 10 of the 3,000 U.S. colleges and universities, nearly double the number a decade ago. . . . Americans gave a record $80 billion to charities last year, up nearly 9 percent over 1984, according to the private Trust for Philanthropy.

Notes About People

Peter Duchin, the society pianist and bandleader, says he and three partners plan to open a new Manhattan nightclub straight out of the 1930s and '40s when his father, Eddy Duchin, was the darling of café society. Mr. Duchin, 48, said: "A lot of people would love to go to an elegant place with live music. There is a distinct need."

Barbara Bush relates that when her husband, Vice President George Bush, turned 60 two years ago he said, "I'm never going to eat broccoli, brussels sprouts, cauliflower or cabbage again." And, said Mrs. Bush, "He hasn't."

— Compiled by
ARTHUR HIGBEE

Jury Clears Louisiana Governor of Fraud

By Frances Frank Marcus
New York Times Service

NEW ORLEANS — A jury has found the Louisiana governor, Edwin W. Edwards, and his four co-defendants not guilty on all counts in their second trial on federal fraud charges.

Mr. Edwards and his co-defendants were accused of conspiring, for financial gain, to take over the state program in charge of approving new medical construction.

The governor's first trial began Sept. 17 and ended in a mistrial Dec. 18. The jurors deadlocked after six days of deliberations. The retrial began in U.S. District Court here on March 24.

Prosecutors said that Mr. Edwards used his powers as governor to benefit his co-defendants in return for almost $2 million he had received when he was out of office. The money came from the sale of four hospital projects that had state approval but were unbuilt. The project's assets were the approvals, known as certificates of need, which entitled the holder to federal aid.

Prosecutors said that Mr. Edwards's brother, Marion, had collected, on the governor's behalf, an additional $1 million in the sale of a fifth hospital project.

Mr. Edwards has insisted all along that he had done nothing wrong. A Democrat now in his third term, the 58-year-old governor has spent a lifetime in politics and has never lost an election.

Reuters-UPI

Edwin W. Edwards

In Louisiana's tradition of powerful politicians, Mr. Edwards is known as the "Cajun King" or "Fast Eddy." He grew up in rural Louisiana, became rich in the practice of law and well-known for his exploits as a gambler, his racy comments about women and his coolness under fire.

His colleagues regard him as a skilled trial lawyer and one of the most intelligent politicians in state history. His indictment on racketeering and fraud charges came after a dozen earlier federal investigations that ended without indictments.

Five months into his second term, which began on March 12, 1984, his troubles began anew with an investigation into a gubernatorial decree. In that decree, Mr. Edwards declared a state moratorium on the certificates of need required for new medical construction.

Along with the moratorium, the governor allowed eight exemptions, for projects labeled nursing homes. But two of the projects were in fact large medical centers that had been submitted to the state for approval by two of the governor's former business associates.

In both trials, prosecutors attempted to portray a conspiracy propelled by bribery. They argued that, as a result, the state had approved new projects in regions already oversupplied with hospital beds.

The retrial focused more sharply on the allegations of fraud and on what prosecutors called "undue political favoritism."

Prosecutors questioned 31 witnesses. But defense attorneys unexpectedly announced that they were calling no witnesses. Mr. Edwards said at a news conference that there had been nothing to contradict.

Indeed, there was no dispute in the courtroom about many of the facts. Both sides agreed that the defendants made $10 million from the sale of the projects and their certificates and that Mr. Edwards's share, while he was between terms as governor, was $1.9 million.

But the defense said that the five men made the money honestly as skilled businessmen. Mr. Edwards has described his role as that of lawyer, consultant, an idea man, and a "door opener." One defense lawyer said in closing arguments that there was not enough evidence "to make a hummingbird swallow hard."

In both trials, jurors had an opportunity to see Mr. Edwards on videotape as he explained in television news conferences his participation in the hospital deals.

In the first tape, made in September 1984, he said that he had made $1 million in legal and consulting fees in the sale of three hospital projects. In the second tape, made two months later, after his grand jury appearance, he said that there actually had been four hospital projects; that he had, in fact, been a partner, and that he had made closer to $2 million.

Teamsters Chief Facing Indictment

New York Times Service

WASHINGTON — Federal prosecutors are expected to seek an indictment soon against Jackie Presser, president of the Teamsters union, involving charges that he appointed union employees who did no work, according to Justice Department officials.

The officials said Mr. Presser would probably be indicted along with at least one unidentified FBI agent, possibly on perjury charges. They said the agent had used Mr. Presser as an informer.

Indictments would represent a reversal for the department, which decided last year to end a politically sensitive, 32-month investigation of the union chief without filing charges. It was dropped after agents of the Federal Bureau of Investigation asserted that Mr. Presser's purported labor crimes had been approved by the bureau, Justice Department officials said.

The inquiry was reopened, they said, after prosecutors determined that the bureau agents may have committed perjury to protect Mr. Presser from indictment. Law-enforcement officials have described him as a valuable informer, which he has denied in the past. Prosecutors say he authorized payments of more than $700,000 to union employees who did no work.

A U.S. grand jury in Cleveland could act against Mr. Presser as early as Thursday or Friday, two Justice Department officials said. The officials said that a separate grand jury in Washington had been trying to determine if FBI agents lied to their superiors about the bureau's dealings with Mr. Presser.

Disclosure that indictments would be sought came as Senate investigators released a 62-page report saying that the FBI had hampered Labor Department investigators who were studying allegations against Mr. Presser. The report found no evidence that the investigation of Mr. Presser, the only major labor leader to endorse President Ronald Reagan in the 1984 election, had been influenced by political considerations.

Mr. Presser is expected to be reelected next week to another five-year term as president of the union.

WP

Jackie Presser

Reagan Backs Senate Panel's Tax Bill

The Associated Press

WASHINGTON — President Ronald Reagan, in his weekly radio address, endorsed the tax revision bill proposed by the Senate Finance Committee as "a giant step forward" and urged Congress to move quickly to make it law.

Mr. Reagan, speaking Saturday from Camp David, the presidential retreat in Maryland, said: "Of course, this bill is not perfect. But several months ago I wrote several members of the House specifying the conditions that must be met for my support. This bill meets those conditions."

The president did not say what imperfections he found in the bill, but its treatment of Individual Retirement Accounts and capital gains differs dramatically from his proposal.

Mr. Reagan's plan would retain a fully deductible $2,000-a-year retirement account for all workers, and add a similar set-aside for non-working spouses, who now are limited to a tax-deferred contribution of $250 a year. The Finance Committee plan would allow such accounts only for workers not eligible for company pension plans.

The president proposes to continue to tax capital gains at a lower rate than ordinary income and expand this benefit so that increases in the value of stocks and other assets that are caused by inflation would not be taxed. The committee would abolish the capital-gains tax break.

"I'm asking Republicans and Democrats," Mr. Reagan said, "to unite to move this legislation through Congress as fast as possible, so you, the people, can set the stage to make America the world's economic superstar through the '90s and the year 2000.

"My Council of Economic Advisers believes that the Senate Finance bill is pro-growth and pro-opportunity," he said. "They estimate that added incentives and efficiencies could increase America's growth rate nearly 10 percent over the next decade. That could mean as much as $600 to $900 more income per household each year. Jobs could rise an additional four million over that period."

The Senate majority leader, Bob Dole, a Republican of Kansas, said he would take up the bill on the Senate floor in early June.

The House of Representatives, which is controlled by the Democrats, has passed a very different tax bill. The final version is expected to be written in a conference committee of members of the two houses.

U.S. Crisis Plan Backs Nuclear Shelter For Officials, 'Self-Help' for Others

Washington Post Service

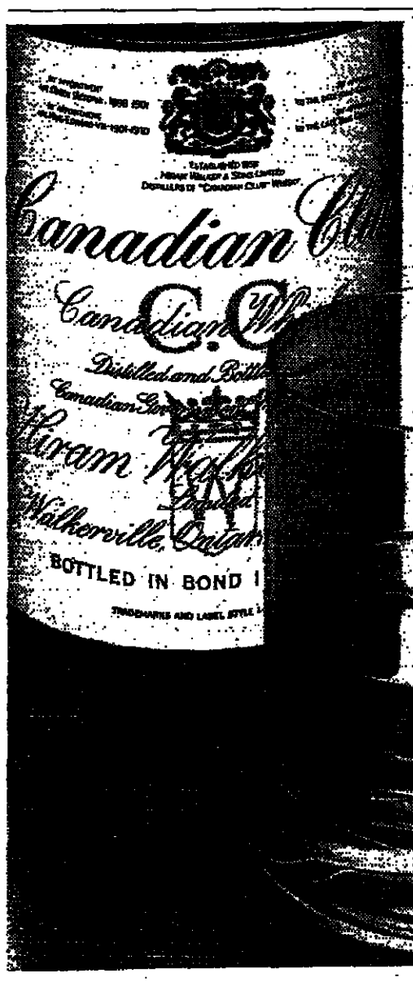
WASHINGTON — The Reagan administration, which proposed mass evacuations from cities five years ago in the event of nuclear attack, is considering a revised plan that would shelter state and local officials while encouraging the rest of the population to rely on "self-help."

The Federal Emergency Management Agency has drafted a $1.5-billion plan to build 600 bomb shelters for local officials between 1988 and 1992, according to internal documents of the agency.

The shelters would enable local governments to manage "the trans-attack period" and restore "post-attack government and society," an agency document said. Eventually, 3,400 other shelters would be built, the document said, at an unspecified cost.

The program "recognizes the need for citizens to assume greater responsibility for their survival protection," according to the proposal, which is being reviewed by the Defense Department and other agencies. The plan calls for the dissemination of 3.8 million low-cost radiation detectors.

States and local communities that refuse to prepare for nuclear attack could lose federal funds for other emergencies, such as hurricanes and earthquakes, according to the director of the Federal Emergency Management Agency, Julius W. Becton Jr.



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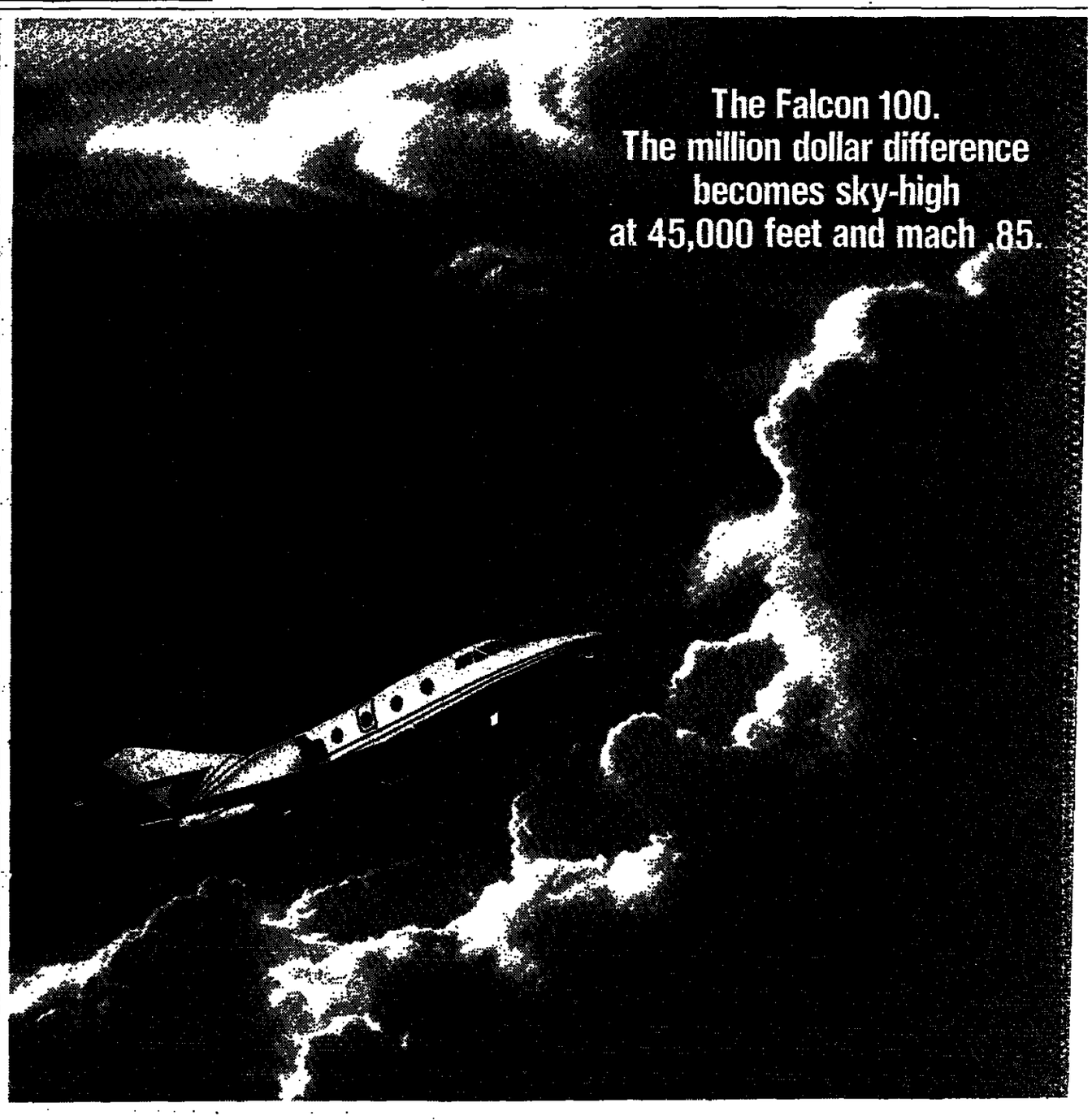

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Business takes off with Falcon

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

International Inspection

The fires at the Chernobyl reactor are evidently extinguished. Officials of the International Atomic Energy Agency have confirmed that report, after a helicopter flight around the site. It is probably too early to say that the damage is entirely under control, but the Soviets are working vigorously to seal the plant's radioactive core in concrete. It seems fair to say that the Soviets' first reaction to the explosion was very slow, and that the evacuation of the nearby towns should have been carried out sooner. But since then the emergency crews seem to have been working with skill and, it should be said, notable courage. To do what they have done, many people must have put their lives at great risk.

It will be some time before the full effects on human health can be calculated. The immediate toll, fortunately, seems clearly to have been lower than most people outside the Soviet Union initially thought possible. But the long struggle with the further effects of the radiation is only beginning. The damage to crops and the contamination of water supplies have yet to be assessed.

Out of this immensely costly catastrophe, what lessons can be gained? The world clearly needs a better system for notification of accidents. The IAEA has been trying since 1982 to develop a comprehensive worldwide reporting program. Presumably the Chernobyl explosion will help persuade the doubters. More difficult to achieve, but no less necessary, are safety standards for power reactors, enforced by inspections. Here again the IAEA, despite its limitations, is the most promising instrument.

Every country has its own reasons for uneasiness about international safety rules and inspections of its reactors. The United States will worry that once again it provides greater access than the Soviets do. The Soviets will, as usual, worry about military espionage — and with reason, since some of their power reactors also produce plutonium for weapons. The developing countries will be particularly difficult to draw into the system. Many will see the safety standards as a covert attempt by the rich countries to put nuclear technology beyond their reach.

It is true that a lack of industrial experience makes it harder for a country to meet rigorous standards — but that is another compelling reason to have them, since many developing countries are building reactors. The answer to their suspicions is to point out that the two most dangerous reactor accidents of the past decade were in the United States and the Soviet Union — the two countries with the clearest responsibility now to advance the international enforcement of nuclear safety.

— THE WASHINGTON POST.

Nuclear Power at Issue

Some 84,000 Ukrainians have been evacuated from their homes because of the disaster at the Chernobyl nuclear reactor, and the health toll from radiation may climb fast. Even now, Soviet engineers may not fully understand what is going on in the stricken reactor or know when the accident will be over. As the tragedy unfolds, it prompts many people, not just committed opponents, to reconsider the risks and benefits of nuclear energy. Can more Chernobyls be prevented? If not, is nuclear power worth such a price? Or is the fire that lights the stars too fierce for human hands?

There are 361 nuclear reactors operating in the world, with 175 more under construction. Whatever the reasons for the accident at Chernobyl, reactors outside the Soviet Union have not had a comforting safety record either. In America, competence varies widely among nuclear utilities, and their guardian, the Nuclear Regulatory Commission, is often criticized for leniency. The 1979 accident at Three Mile Island showed that a core could suffer partial meltdown, even though the containment vessel confined almost all radioactivity. But perilous safety lapses have continued to occur, as at New Jersey's Salem 2 in February 1983 and Ohio's Davis-Besse plant only last June.

Do such accidents mean that all nuclear reactors should be closed? No. Many have long records of safe, economic operation. Instead of an alarmed rush to ban all of them, the more reasonable response would be to scrutinize the plants with the weakest safety records and those that are sited, regrettably, near large populations, like New York's Indian Point and Chicago's Zion. In the wake of Chernobyl, higher confidence in their safety may be required.

Nuclear safety would be even more pressing if nuclear power were more needed. In America it isn't, at least not yet. No new nuclear power plant has been ordered since 1978, because reactors cost too much to build and the demand for electric power has leveled off. Even when demand picks up, the present generation of nuclear reactors will be the most expensive way to meet it.

Far cheaper is conservation. Consumers still use electricity recklessly because they do not pay the true cost of building extra generating capacity. There is too little incentive for energy-efficient appliances and other conservation steps. New pricing structures could quickly induce New Yorkers to buy energy-efficient air conditioners and insulated refrigerators. That would obviate the need for a new power plant.

Even if America could, with its abundance of natural resources, put off new nuclear plants for years, someday more electricity will be needed. There is little sense in arbitrarily ruling out nuclear power. A new generation of reactors, designed with inherent safety and built in standardized form, could play a useful role.

It is easy to forget, in the shadow of Chernobyl, that safe nuclear reactors are environmentally benign. They do not acidify the rain or produce gases that contribute to the greenhouse effect, a feared global warming of Earth's atmosphere. Now is the time to start developing them. Better for America to have a nuclear option and not need it than to need it and not have it. Other countries will make their own choices. Those, like France, whose electricity is 65 percent nuclear will not abandon their commitment. They have little alternative. Like American utilities, they will tend to see Chernobyl as specific to Soviet design.

The lesson of Chernobyl is likely to be more safety, not the abandonment of nuclear power. A technology so hard for human institutions to manage should have been designed from the start with inherent safety. Nuclear fire may seem a doubtful gift, but it is still too early to assume that it cannot be safely handled.

— THE NEW YORK TIMES.

Other Comment

Nuclear Power and the Public

So long as antagonism to nuclear plants came principally from members of Greenpeace, Friends of the Earth and the like, government could afford to take a fairly Olympian attitude toward public misgivings. An early consequence of Chernobyl has been to destroy that comfortable position. Anxious inquiries which have been flooding down improvised channels tell us [that] public knowledge about the propensities of nuclear power is negligible. Largely on this account, a mishap on the scale of Chernobyl has aroused deep-seated fears which will now be hard to dispel. Fear of the unknown is a powerful public emotion. If the mood persists, the [British] nuclear energy program will be halted.

— William Deedes, a former British government minister for information, writing in The Sunday Telegraph (London).

Another Latin Run at Peace

The campaign by Latin American diplomats to draw up a peace treaty for Central America has been given up for dead many times in the last three years, but only in the United States. Latin political leaders understand the consequences of continued warfare in Central America better than their counterparts in Washington.

In the next few weeks there will be several important meetings in Central America that may bring the Contadora Group (Mexico, Venezuela, Colombia and Panama) closer to its goal of a comprehensive peace treaty between the revolutionary government in Nicaragua and its neighbors. The first was Thursday's gathering of Latin American leaders in Costa Rica for the inauguration of President Oscar Arias. Those informal discussions will be followed by an official Contadora Group meeting on May 16 in Panama. Then on May 24, Central American presidents will hold a summit meeting in Esquipulas, Guatemala.

Latins hope this spate of diplomatic activity will produce enough momentum to carry the Contadora Group toward a pivotal meeting on June 6. That is the target date set earlier this year for a regional peace treaty. But chances that a Contadora treaty could be signed by then are slim, because recently Nicaragua's Sandinist government has become more difficult. The Sandinists insist that they will sign no peace treaty until the Reagan administration stops aiding the "contras." The United States says it will not let up on the Sandinists until they agree to more democracy in their country.

Convinced that they will not change President Reagan's stance, leaders of the four Contadora countries and their new support group (Brazil, Argentina, Peru and Uruguay) may try to convince Nicaragua's Daniel Ortega to budge instead. In exchange for signing a draft peace treaty, the Contadora countries may offer Nicaragua support in case of a confrontation with the United States. Peru's President Alan Garcia has already promised to break diplomatic ties with any nation that attacks Nicaragua. If other Latin presidents did the same, Mr. Ortega might sign a treaty and maybe even Mr. Reagan would get the message.

But whether Mr. Reagan goes along with Contadora or not should make no difference to the Latin Americans. He is so obsessed with the Sandinists that he proceeds against them even without the support of Congress or the public, and despite a lack of success on the battlefield. It is clear that if a peaceful way out of Central America's crisis is to be found, it must come from Latin America rather than Washington.

— The Los Angeles Times.

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OPINION

Japanese at a Crossroads Without a Map

By Flora Lewis

TOKYO — Japan is the first underdeveloped country to vault the dividing line and suddenly have to confront the problems of wealth. That is provoking a fascinating self-re-examination, particularly within the rising power structure. These are mostly men between 40 and 50 years old, whom some call the "neo-new leaders."

The Japanese don't feel rich. They habitually prefer the traditional "low profile," seeking safety in the profession of modesty and weakness. But leaders know that there is a new reality and that it is bringing resentment in the rest of the world. They sense the need to adapt.

There is also a striking internal generation gap. Takashi Hosomi, who heads the Overseas Economic Cooperation Fund, Japan's foreign aid agency, looked out the window of his well appointed high-story office, a scene of gleaming skyscrapers and automobile-clogged streets. "We grew up in the poverty of Japan. We lived in ruins," he said. "Our children are growing up in the richness of Japan. There's a very different atmosphere."

Mr. Hosomi worries that without a change of social climate and the development of an accepted new outlook, there will be "two kinds of Japanese and we won't know our identity." The pampered, satisfied young will not know how to compete, how to struggle, if the country does not open up to the world. "There is a danger they will want to close up for protection and will turn nationalist."

The reformers' code word is "internationalization." It means a lot more than buying foreign goods, traveling abroad, making an appearance on the world power scene. People tend to focus on economics "because this is an economic country," said another leader. But there are deep cultural and moral undertones in the debate, a fear of losing old values without establishing sturdy new ones.

Shuzaburo Takeda, an enthusiastic, worldly young professor whose hobby is advising politicians, pointed out that "for a long time our goal has been to catch up with the world. We worked very hard, and we've done it. Now we must find a new goal. We live in a four-dimensional world. Time keeps moving and we must move with it."

Kazo Obuchi, a member of the Diet and also a neo-new leader, talked about the need for a new philosophy to enlarge a spiritual history based on the virtues of thrift and diligence in a climate of need. "We have to think about the meaning of wealth. No country has been destroyed by poverty, but many have been ruined through wealth."

These thoughts are not yet resounding in public discourse. For the moment, all the talk is about the damage that the free-rising yen is doing to the jobs and businesses that depend on exports. The mood is aggrieved. There is little talk about benefits from a strong yen: the cheaper imports, lower consumer prices, more noninflationary growth.

Prime Minister Yasuhiro Nakasone is taking most of the blame. At the economic summit he was expected to get a promise from President Reagan to intervene in support of the dollar. Perhaps there had been a misunderstanding during his recent meeting with President Reagan at Camp David. Since he is the most prominent advocate of "internationalization," the program will be set back if he is driven from power later this year.

The Japanese paradox is that it takes a strong outside stimulus to move the society, but that if change comes before people have digested the idea, they get angry and balk.

"This is a collectivist society based on capitalism," a veteran Western observer suggested. Yet the reformers' underlying notion is that their country needs to spur individual creativity, individual enterprise, even at the cost of breaking the conformist mold and accepting more diversity. They speak of remaking the educational system to allow for more "irregularity."

Perhaps someday other struggling countries will reach Japan's enviable embarrassment of riches. For now, there are no guidelines, no models for Japan to follow, as is its custom. Economics has theories about how to spur growth in times of recession, and how to fight inflation, but not about how to deal with doing comparatively too well.

The obvious answer when riches become a burden is to give them away. Other people's poverty can distract the mind from the dangers of excess. But as one leader pointed out, the Christian tradition of charity is not part of the Confucian order.

Japan will have to learn about giving, as well as earning. It should be a better world when many more countries achieve Japan's dilemma, but it won't be without problems. Japan's moral crossroads is a first example.

The New York Times.

Nicaragua: Getting Ready for the Inevitable War

By Frank Del Olmo

MANAGUA — Nicaragua is getting ready for war. That is how simplistic the thinking of its political leaders has become. For the Sandinists the question is not whether all-out war with the United States will break out, but when.

Evidence of this mind-set is clear to people outside the country when they read about Nicaragua's 60,000-member army, the biggest in Central America, and the hundreds of Soviet tanks and other heavy-duty weapons in the Sandinist arsenal. But the gut-level certainty of it doesn't hit until you are here, when almost every able-bodied young person you see is in uniform and when you talk to people who have already lost sons to the fighting between the army and the U.S.-backed "contra" rebels.

Reagan 'must do something to us before he leaves office.'

A visitor comes to Nicaragua prepared to discuss the chances for diplomacy and peace in Central America and the prospects for more human rights and democracy for the Nicaraguan people. The Sandinists are not much interested in such niceties any longer. They have more fundamental issues, like survival, on their mind.

The Sandinists are believers who want their revolution to continue after they are gone. They would like to be around to see the fulfillment of what they began with the overthrow of General Anastasio Somoza in 1979. But, taking a lesson from history, they have convinced themselves that for this to happen they must fight the United States, and that many of them will die in the process.

They have been led to this fatalistic vision by the simplistic thinking of another political leader, also a true believer, who happens to be president of the United States. Sandinist spokesmen say that President Reagan's true feelings about them and their country were there for all to see when he spoke on television on April 22 urging Congress to approve $100 million in military aid to the contras.

"He compared us to Libya," said the deputy interior minister, Omar Cabezas. "He is trying to link Nicaragua with Libya in the minds of the American people so he can do to us what he did to Libya."

"How can he not do anything to us, after all that?" Mr. Cabezas added. "It's become a point of honor with him. He must do something to us before he leaves office."

That explains some Sandinist moves that strike North Americans as downright stupid, like sending troops into neighboring Honduras, a U.S. ally, just as Congress was debating aid for the contras. Suggest to Mr. Cabezas and other Sandinists that this looks provocative in Washington, and the consistent answer is, "Why should we care what you think? We have our own problems."

That expectation of war is also why the government continues to come down hard on the few remaining symbols of opposition to its rule, like the newspaper La Prensa and the Roman Catholic Church, whose radio station has been forced off the air.

"They violated government broadcast rules," Mr. Cabezas said. "Not once or twice, but many times. And many times they were warned about it, and still persisted. We simply could not put up with that any longer in a time of national crisis," he added.

Mr. Cabezas is a thin, intense man. He is the author of a book called "Fire in the Mountain," which chronicles his experiences as an idealistic urban student who became a guerrilla fighter during the rebellion that overthrew General Somoza.

Watching Mr. Cabezas pace nervously in a stuffy government office, a cynic might conclude that his expectation of a U.S. invasion is the romantic notion of a former guerrilla who has grown bored with dull government responsibilities.

But that does not account for the apparent unanimity with which his views are shared in Nicaragua.

It does not explain the opinions of a young soldier I met on the road to Matagalpa, a mountain town that is a center of Sandinist military activity against the contras. Heading home on leave, he said he had been in the army for six years and was prepared to be in uniform a lot longer.

"Your Congress is useless," he said. "They don't debate whether attacking us is right or wrong, but how much aid to give our enemies."

Then there was the coolly methodical briefing I got from Comandante Javier Carrión, the military commander in Matagalpa. He quickly summarized his campaign against the contras, then went on to outline the strategy being prepared for the anticipated U.S. invasion.

"We are doing two things at once," he said. "We fight a counterinsurgency war while also preparing to fight a conventional invader. In the cities, along the Pacific Coast, we are training our armored forces, reserves and the militia to be the first line of defense against an invasion. But we cannot stand up very long against the kind of force the United States has. So here in the mountains our special counterinsurgency troops will wage a prolonged war against the occupation troops."

The purpose of this strategy, I was told, will be to inflict as many casualties as possible on U.S. forces in order to wear down U.S. public support for a war against Nicaragua.

Sad as it sounds, the strategy makes sense from a Nicaraguan view.

Of course, North Americans can think of reasons why a war with Nicaragua is not inevitable. Congress might get its back up and say "no" to Mr. Reagan. Or the president might be discouraged by public revulsion against such a war. Negative public opinion might even cause bureaucratic resistance in the Pentagon, where military leaders remember the lessons of Vietnam better than Mr. Reagan.

But it would be foolish for anybody in Nicaragua to count on those things happening. That is why the Sandinists plan for war — and wait.

Los Angeles Times.

By ROGER In Barricada, Managua. C&W Syndicate.

Does Reagan Care About Nicaragua?

By David Kaiser

PITTSBURGH — As the debate over aid to the "contras," or rebels, renews itself year after year without any appreciable change in the situation in Nicaragua, more observers of all political persuasions are beginning to question the premises of President Ronald Reagan's policies.

Liberals argue that such aid can only drag the United States into war, while some conservatives say the defeat of the Sandinists requires a much larger commitment. While there is truth in both positions, few commentators have grasped the nature of the U.S. administration's game.

U.S. policy makes sense only if one understands that the major players in the administration hardly care about what happens in Nicaragua and that their tactics are designed largely to satisfy important bureaucratic interests and enable President Reagan to score political points.

To be specific, the CIA apparently seized upon Nicaragua as an opportunity to build up its capability to fight covert, quasi-guerrilla wars. Sponsoring such wars has been part of its mission for many years. Only once, in Guatemala, have such wars produced a real victory, but for the CIA that is not the point: It is the maintenance of this capability, not its effectiveness, that is important.

This contradiction has become apparent to some Nicaraguans who joined the contras with the hope of actually overthrowing the Sandinists. Edgar Chamorro, the former contra leader, has written that by early 1984 he got the feeling that the CIA "didn't want to let us win. The Americans wanted an army they could control. They didn't want to risk an [anti-Sandinist] insurrection that was not under their control."

Mr. Reagan uses Nicaragua to dominate the news and step into one of his favorite roles, that of the defender of freedom. As David A. Stockman argues in his new book, "The Triumph of Politics," reality, for the administration, occurs only once a day — on the evening news. It is increasingly clear that the Reagan team is using confrontations with minor foreign powers to fill up the evening news, if only to divert the country's attention from the budget crunch and faltering economy. Thus, the administration does not mind going through the contra debate every year; on the contrary, it loves it.

A real war in Nicaragua would be an entirely different matter. That kind of war, as the White House and the army know, would be unpopular.

The U.S. Army has limited its goals to securing a piece of the contra action by training the rebels — a mission that the Central Intelligence Agency had until now been allowed to monopolize. Therefore, although the United States may sponsor the contras, although it may mine harbors and may eventually even make some symbolic air strikes in Nicaragua, it will not fight a war there.

If President Reagan took his own official vision of the danger of the Sandinists seriously, he would have had to invade Nicaragua long ago. But he prefers to take symbolic steps that will accomplish nothing — and much of Congress finds it politically easier to go along with him than to do either more or less.

A policy that wastes money and lives with no hope of achieving any real result does not represent an exception to the way the government has dealt with foreign policy: It is all too typical. Administrations have repeatedly adopted ineffective, even counterproductive courses of action because they would offend fewer people than any more serious options.

Thus, while the United States decided not to overthrow Fidel Castro in 1962, presidents have refused to deal with him since then to avoid appearing soft. The United States lost more than 50,000 men in Vietnam because Presidents Lyndon B. Johnson and Richard M. Nixon, who never had a realistic chance of establishing a stable, non-Communist South Vietnam, found it expedient to appear to be trying to do so. Mr. Reagan agrees to a succession of summit meetings with Mikhail Gorbachev, but resolutely avoids any serious U.S.-Soviet agreements.

And so it goes. If there is a cure for this disease, it remains to be discovered. The American people will not find it until they can face the unpleasant reality of just how narrow, parochial and banal the bureaucratic and political motives that determine U.S. foreign policy really are.

The writer, a specialist in international relations, is associate professor of history at Carnegie-Mellon University. He contributed this comment to The New York Times.

Chernobyl: Rushing to Judgment

By Jerry F. Hough

DURHAM, North Carolina — In the week following the Chernobyl nuclear power plant disaster, the Western press rushed to judgment. Soviet claims of limited deaths were ridiculed; damage to the Soviet economy was supposed to be enormous. What limited information the Russians did release was said to show that Mikhail Gorbachev's announced policy of more openness was a fraud.

Now it increasingly appears that the Soviet version of events at Chernobyl was closer to the truth than the original Western stories.

We are quick to point out what we see as the failures of the Soviet system. Perhaps our experience in trying to report on Chernobyl will teach us to look closer for the realities.

Several years ago the Western press reported on meat shortages in Soviet stores. Those stories never pointed out that per capita meat consumption in the Soviet Union was then still at the same level as in Britain, that Soviet citizens eat their big meal at noon and that lunchtime cafeterias always sold meat dishes at low prices. And how often is it reported that meat consumption has been rising rapidly in the last four years and that meat is back in the stores?

Another example, also from several years ago, is Western press reports of rising infant mortality in the Soviet Union. Scholars now looking at the data are concluding that the increase never occurred. The Soviet statistics had been falsified under Nikita Khrushchev and a change in reporting procedures produced the appearance of a rise. Infant mortality today is slightly higher in the Soviet Union than in the United States, but it has not been increasing drastically.

What has gone wrong?

First, McCarthyism remains strong in the United States on the Soviet question. Soviet-bashing is safe. Favorable stories on the Soviet Union will draw complaints and even charges of pro-Sovietism.

Second, the U.S. government has enormous influence on the American interpretation of the Soviet Union. Scholars receive funding from the government, they are drawn into consultation with the CIA and must clear publications on sensitive issues.

Most press stories concerning Soviet events come from Moscow, and the attentive reader will notice how often "diplomatic sources" are cited. A U.S. diplomat's job is to represent the Reagan administration; he knows that a story presenting the Soviet Union in a favorable light will not get him favorable ratings at home. Correspondents reporting the embassy interpretation are reporting the administration line as objective analysis.

Ultimately, the only solution is a Soviet information policy that gives correspondents other sources to report and that points them to important statistics and developments.

But the U.S. side needs to be more careful, too. When diplomats in Moscow propagandize correspondents so that the stories will come back into the Soviet Union on Western radio, the American people are also propagandized. The Soviet defense buildup that did not occur from 1975 to 1983 resulted in a doubling of U.S. debt because of a belief in a 5-percent Soviet increase in arms spending.

Eventually, an administration can even come to believe its own propaganda. Wanting to protect the United States if Mr. Gorbachev does not come to a summit in the United States this year, diplomats put out a line that he will lose face if he does not. The U.S. administration, believing that it "has the Soviet Union on the run," then begins to think it can push Mr. Gorbachev around without suffering any ill consequences.

It is all nonsense. If Mr. Gorbachev does not come to a summit, it is because he has already said that there is no use for talks unless the Soviet-U.S. atmosphere is improved and progress can be made on arms control. Signs that the Russians are shifting from a U.S.-centered to a Europe-centered foreign policy are multiplying. If Washington does not want to deal with Mr. Gorbachev, he will find West European leaders who do.

America under Ronald Reagan is in a period of illusions about its role in the world. Unless the administration changes its confrontational policy and starts making fundamental progress on such important Soviet-U.S. issues as troop reductions in Europe, the bubble may soon burst. But what is the hope of avoiding that when information policy toward the Soviet Union is so closed and biased?

The writer is a professor of political science at Duke University and staff member at the Brookings Institution. He contributed this to the Los Angeles Times.

75 AND 50 YEARS AGO

1911: Revolt in Hayti?

PARIS — The news that the Haytian Government has discovered a rising in the North leaves well-informed circles skeptical. There is not a single person who would dare to raise a finger against President Antoine Simon. Not one leader can be discovered who would be capable of rallying under his "rag" one drummer and ten men. The Firminists alone could be a cause of trouble, but their chief, Antenor Firmin, was reported [on May 1] to be in San Juan, Puerto Rico, inactive, and some time ago he advised his partisans in the North to be calm. It is considered that this revolution has been invented by the military clique at the Palace in Port-au-Prince, with the aim of plundering a little more from the National Treasury, and of compelling the execution of 25 political prisoners.

1936: Azana Takes Oath

MADRID — Manuel Azana Diaz, who was elected President of the Republic by the Electoral College [on May 10], took the oath of office in the Cortes [on May 11] amid scenes of great enthusiasm, in which Socialist and Communist organizations played a prominent part. After the formal ceremony, President Azana proceeded to the National Palace, escorted by a squadron of the Presidential guard, and passed the troops in review from the balcony. He was widely acclaimed by the crowd, Socialist and Communist youth organizations saluting him with clenched fists and their war cry: "Proletarian brotherhood." The Civil Guards did not participate in the parade. In honor of the new President's inauguration, extra rations of wine were distributed to the soldiers in their barracks.

OPINION

Current Polish Experience Updates the Enlightenment

By George F. Will

WASHINGTON — May is Washington's mellowest month, a season of azaleas and the Jefferson Lecture. The lecture leavens the deadening day-to-dayness of Washington events with thoughts never out of season.

Funded by the National Endowment for the Humanities, the lecture is a tribute to the maturity of the government, which has institutionalized an intellectual pause that refreshes. There was special poignancy this year because of the winding path by which Leszek Kolakowski came to that podium.

On American campuses, the 1960s were years of living frivolously. Many "radicals" found mere speech inadequate to the expression of their thoughts

Enlightenment thinking stressed too much the individual's socialization.

and so they seized the dean's office and smoked his cigars. In Poland, dissent by "mere speech" was more dangerous.

When the fever of 1968 ignited student protests there, the regime dismissed Mr. Kolakowski from his teaching position at the University of Warsaw. His words had contributed to the shaking of the regime. He has not been home since, and now teaches at Oxford and the University of Chicago. In his lecture, he taught a lesson about the philosophic prerequisites of pluralism.

Mr. Kolakowski's theme was sobered Jeffersonianism. He accepts the Enlightenment belief in diversity, but the belief tempered by the 20th century experience with totalitarianism. The harshness of contemporary history has made Mr. Kolakowski cosmopolitan, suspended between national cultures, yet he praises immersion in the particularities of national histories. Having honed his mind on the abrasiveness of a closed society, he is qualified to warn that maintenance of an open society involves more than mere toleration of diversity.

The state cannot be "neutral" regarding fundamental values. In pluralist societies, ideas are governed by the rules of the market. The consumer is sovereign. However, the freedom to enter the intellectual marketplace is the result of an ideological choice and institutional arrangements. Society and its collective will, the state, cannot be neutral about them. Society should be partisan on behalf of the prerequisites of pluralism. Three of these are revisions of the thinking of Jefferson's age.

The Enlightenment taught that beliefs about good and evil are culture-bound and historically relative, and that to believe otherwise breeds fanaticism. But the good seed of temperate skepticism produced the dangerous fruit of dogmatic relativism. The values of pluralism and tolerance came to seem as relative as their opposites. And it is a short step from indiscriminate skepticism to paralysis. We are imperfect, so we have no moral standing to reproach evil.

Enlightenment optimism taught the compatibility of all good things — peace, justice, freedom, equality. But Mr. Kolakowski reminds that for 40 years Europe's peace has been based on the glaring injustice of the subjugation of the eastern part of the continent.

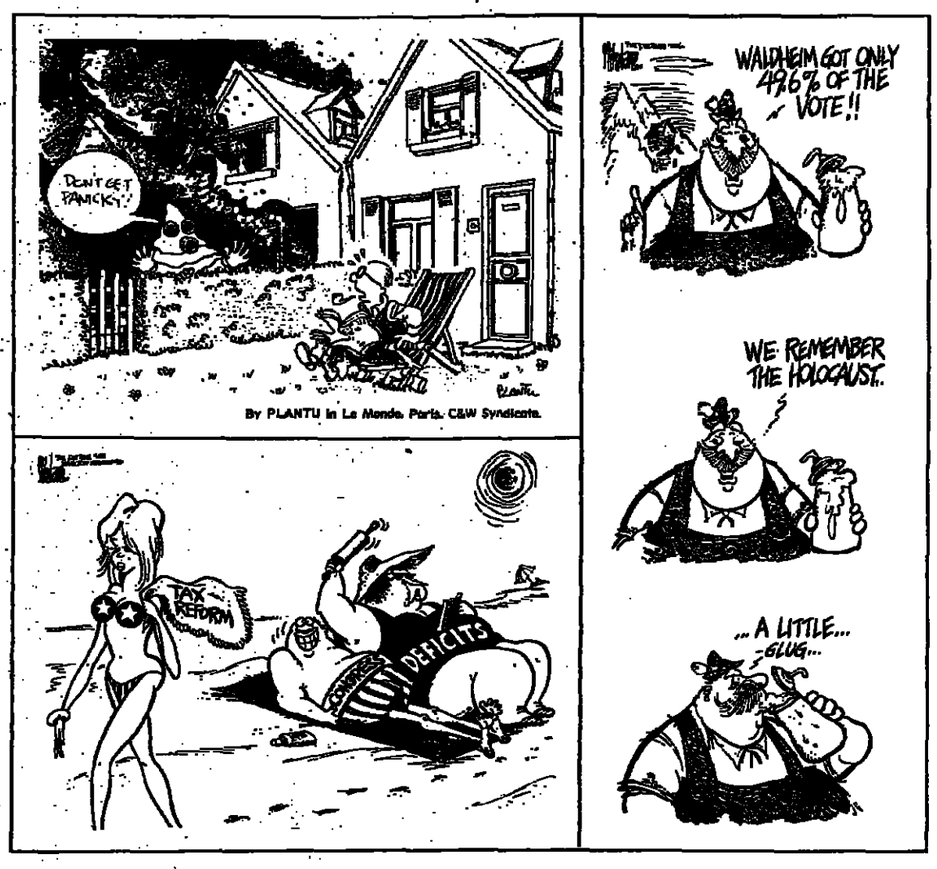
Second, the Enlightenment stressed too much the individual's socialization, producing an "uncertain and conceptually fragile status of human personality." The belief that the individual is "entirely society-made" makes "I" a pronoun to which no morally important reality corresponds. That belief yields the notion that "society" is responsible for everything, "I" for nothing.

It also leaves us "conceptually defenseless" against totalitarianism. Today's world conflict, says Mr. Kolakowski, is not just the competition of large nations for enlarged influence, it is a clash of civilizations. At stake is "humanity as we have known it." This is not because "Sovietism" is militaristic and aggressive, which of course it is. The stakes are so high "because of its educational goals," which are to reduce people to replaceable parts of a state machine.

Mr. Kolakowski says that the third needed revision of the Enlightenment legacy concerns historical consciousness. Enlightenment confidence became hubris, dismissing the past as a heap of ignorance and superstition. What we learn from history is not technical guidance for governance, like consulting a manual to fix a machine. We study history to learn who we are. A sense of history is practical in this sense: The most consequential leaders often are those — Churchill, de Gaulle — most conscious of the stream of history.

Mr. Kolakowski's angular face often has the expression of a hawk that has just heard an amusing jest about hawks. He once wrote that "philosophers neither sow nor harvest, they just move the soil around." Not true. They cannot know the distant harvest of the thoughts they sow, but the harvest is real. That the U.S. government, through the Jefferson Lecture, honors thinkers of Mr. Kolakowski's stature suggests that the seeds do not fall in America on stony ground.

Washington Post Writers Group.



A Superstition to Outgrow And a Bond to Let Loosen

By Ellen Goodman

BOSTON — We are crossing the intersection together. My hand goes out to her as if she were about to dash mindlessly in front of the next car. The girl by my side recognizes this familiar gesture. Mocking and humoring me, she takes my hand as we cross the street.

I have been a mother now for almost 17 Mother's Days. The daughter I am walking with is just short of being a woman, a voting, consenting, certifiable

MEANWHILE

adult. She crosses oceans without my hand on her shoulder. It is time for me to outgrow this habit of protectiveness, this superstition that mothers have the power to shield their children.

I have the sense that I am going through a stage. I wish there were a name for this time of motherlife. We divide childhood into stages but, in some false economy of language, we have only one word for the mother of babies and teen-agers and adults. The cards on sale in May are addressed simply, interchangeably to Mom.

In our vocabulary we harbor the out-of-date notion that a child grows up while a mother stays the same, a permanent fixture of certified adulthood, performing the same skills in the same way, year after year, for infant and adolescent. But it doesn't work that way.

The stage I am in requires skill at letting go. It does not come altogether naturally to all of us. Women are, after all, wrenched into motherhood abruptly with that awesome birth-day gift of a dependent. We are expected to come equipped with emotional superglue to ensure our children's survival.

With difficulty sometimes, we begin motherhood by bonding our own lives to those of our children. Then, year by year, we are told to let the bond grow more and more elastic. In an earlier stage of motherhood, when my deepest desire was to have a single, uninterrupted bath, I had no idea how tricky, how delicate this letting go would be.

Lining one shelf in my office is a batch of new books, all devoted to the subject of raising teen-agers. In the tough-love vernacular of the times, the mother is told to keep the lid on, hold tight the reins of authority, ride the youngsters through this threatening terrain. The books read as if the age of 18 could be postponed indefinitely.

I don't see mothering quite like that, never did. These are the years when we slowly, carefully, transfer power *over* our children *to* our children. At best, when it works, the controls aren't wrested from us in some primal struggle between the generations, but are shifted.

But I know it doesn't happen easily. Growing up is no easier the second time around. Mother and child both trip over the ambivalence that litters the passageway. There is both pride and a sense of loss for mothers who watch their children take charge. For the young, a heady sense of independence is often dotted with nostalgia for childhood.

It is never entirely clear that our children are really ready to go or that we are really ready to let go. If little is said about children at the cusp of adulthood, even less is said about the 17th, 20th, 30th Mother's Day in a woman's life.

I cannot fully chart the terrain of this mothering time. My sentiments will not fit on a card. But I do know that at the other end of the stage I am going through, most mothers hope they will have enabled rather than prevented this growing up. We want to be like the mothers we want to have: trusted resources in our children's lives.

We want to be the home they can come to, the base they can touch, the love they can count on, the place where they feel good about themselves. What is left at the end of this stage is, after all, a relationship. Even a friendship.

We cannot get there without letting go. But sometimes, if we are good enough friends with our children, we can still hold hands crossing the street.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Defending West Germany Means Defending Norway

Regarding "For a Coalition to Defend West Germany" (April 26) by William Pfaff:

Many Americans ignore geographical realities and the implications for NATO of the Soviet naval buildup. Mr. Pfaff's stated concern is the security of Central Europe, limited to the security of West Germany. To make American unilateralism more legitimate, he proposes to redefine NATO, making it into a simple agreement by a coalition of interested powers to guarantee the security of the Federal Republic of Germany.

Mr. Pfaff's line of reasoning is as follows: If West Germany is secure, Europe is secure. If West Germany is insecure, not only Europe but the United States is threatened, since there is no greater potential danger to the United States than for the resources of Central and Western Europe to fall under the control of a hostile Soviet Union. It follows from this that Western Europe's security is vital to the United States and that continued American guarantees for the defense of Western Europe are necessary if the region's defensive capabilities are to be credible.

But from this realistic point of departure, Mr. Pfaff wanders. What makes the American military guarantees for the defense of Western Europe credible is a viable power projection across the Atlantic. Block that power projection in peacetime and lose the naval capabilities to control the North Atlantic sea-lanes in time of war, and the European-U.S. strategic relationship crumbles.

This is *not* the age of massive retaliation. Take a look at the map of all of Europe and observe that, as seen from Moscow, Norway constitutes almost half of Europe's coastline to the Atlantic. Take a look at the Soviet naval buildup during the past 15 years and notice the tremendous increase in Soviet naval capabilities. Take a look at the figures for the Soviet North Fleet in the Murmansk area, and the pattern of Soviet naval exercises in recent years, and realize the obvious Soviet attempts to become capable of controlling the North Atlantic sea-lanes. Give the Soviet Union access to and control over the Norwegian coastline, and the Soviet ability to control the North Atlantic will be virtually guaranteed. So much for America's role in the defense of Western Europe. And so much for Western Europe as we know it. Mr. Pfaff in effect outlines a script for achieving Soviet pre-eminence in Europe by blocking America's access to Europe.

A credible defense of Central Europe cannot be achieved today without simultaneously guaranteeing a credible defense of Norway. Four million Norwegians cannot on their own defend a territory as large as Denmark, the Netherlands and West Germany combined, even with a strong national defense. Collective Western security which includes Norway and implies a credible capability to reinforce Norway in case of war is vital in a Western strategy capable of guaranteeing Western control of the North Atlantic sea-lanes and, thus, the security of Central Europe.

BAARD B. KNUDSEN.
Institute of Political Science,
University of Oslo.

'Get Out of the Light'

Russell Baker has some facts wrong in his April 30 column. Archimedes was born circa 287 B.C. and could not have been visited by Alexander, who had died in 323 B.C. The statement to Alexander ("Get out of the light") was made by Diogenes — who lived in a barrel. Alexander could not stand in his doorway.

HANS-OTTO HARBERTS.
Hamburg.

Shcharansky Urges U.S. to Press Soviet To Relax Rules on Jewish Emigration

By David K. Shipler
New York Times Service

NEW YORK — Anatoli B. Shcharansky, the former Soviet political prisoner, has urged the United States to maintain public pressure on Moscow to relax restrictions on the emigration of Jews from the Soviet Union.

The 38-year-old human rights activist said Friday in an interview that quiet diplomacy would be effective only amid public campaigns.

He said he planned to discuss that strategy when he meets with President Ronald Reagan in Washington this week.

Mr. Shcharansky was freed by the Soviet Union in February as part of an East-West prisoner exchange. He arrived Thursday from Israel, where he has been living, on his first visit to the United States.

"I am not a political adviser," he said. "I am afraid to give any concrete political advice.

"But in principle, I can say that to let the Soviet Jews go is a very hard problem for the Soviet Union. You mustn't think that it's simply a problem of selling the Soviet Jews for some good price."

In the United States, Mr. Shcharansky said, "The law is something that defends the individual against the possible arbitrariness of the state."

He said the opposite is the case in the Soviet Union, where "the individual is part of the system".

"Even in this system," he said, referring to Soviet society, "appear people who really become individuals, who dare to decide what to say, what to think, and dare to decide where to live.

"It's simply dangerous for this system. It threatens the very principles on which this system is built."

Mr. Shcharansky said that as a result, the Soviet authorities agree to emigration "only in the case when the losses to them if they wouldn't will be even bigger."

He urged that improved East-West relations in fields of interest to Moscow, such as trade and arms control, be made contingent on an improved human rights policy.

He emphasized that he was not advocating military hostility toward Moscow.

"With all my devotion to the idea of letting Soviet Jewry go, I can't dare to put the question in such a way that let's have the third world war, or let's let the Soviet Jews go," Mr. Shcharansky said.

"On the other hand," he said, "I think that no serious agreement should be signed with the Soviet Union until there is some level of mutual trust."

■ 300,000 Attend Rally

About 300,000 Jews cheered Mr. Shcharansky outside the United Nations on Sunday as he told them he felt solidarity with them in his prison cell in the Soviet Union, United Press International reported from New York.

"All the resources of a superpower are not enough to isolate a man who hears the voices of freedom, to isolate a Jew who is in solidarity with his people; a voice he hears in the very chambers of his cell," Mr. Shcharansky said.

Mayor Edward I. Koch said at least 300,000 people crowded into a four-block area from the United Nations to midtown Manhattan for the 15th annual "Solidarity Sunday for Soviet Jewry."

For the previous nine years, a photograph of Mr. Shcharansky had hung over the rallies, a symbol of the "refusenik" movement.

Mr. Shcharansky urged the crowd to press the U.S. government for political and economic sanctions against the Soviet Union on the behalf of Jews who are trying to emigrate to Israel.

Herschel Bernardi as Tevye in 1967

Herschel Bernardi Dies in U.S. at 62; Character Actor

New York Times Service

NEW YORK — Herschel Bernardi, 62, a character actor best known for his starring role in the musical "Fiddler on the Roof," died Friday of a heart attack at his home in Los Angeles.

His death was reported in Los Angeles by his agent, Charles Stern, who said Mr. Bernardi died in his sleep.

Mr. Bernardi, husky and bearded, was a versatile actor with many roles to his credit. But it was as Tevye, the poor milkman in the shtetl of Anatevka, that audiences remembered him most fondly.

The character had been created on Broadway by Zero Mostel, who was followed on the boards by Luther Adler. As the third Tevye, Mr. Bernardi played the role 702 times on Broadway over three years, starting in November 1965.

Among his more recent film credits were "A Cold Wind in August" (1961), "Irma La Douce" (1963) and "The Front" (1976).

DEATH NOTICE

LESLIE L. KAYE,
the sculptor, died among friends on May 9, 1986, at Allemogne-Thoiry 01630. The funeral will be at 3 p.m. Tuesday, May 13, at the Thoiry cemetery.

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Philippines' Military To Investigate Officers Accused of Corruption

The Associated Press

MANILA — The military created a board on Sunday to investigate officers accused of stealing government money during the rule of Ferdinand E. Marcos.

The armed forces chief of staff, General Fidel V. Ramos, said "it's possible" that the former military chief, General Fabian C. Ver, and other officers who fled with Mr. Marcos to Hawaii would be covered by the investigation.

He said that "a couple" of senior officers placed under house arrest after Mr. Marcos was deposed in February also could become targets of the investigation, but he refused to identify them.

"The armed forces of the Philippines must take the first step in cleansing its ranks of individuals who may have acquired ill-gotten wealth," General Ramos said. "We have detected some anomalous practices."

General Ramos said that the military decided to conduct its own investigation because of complaints received by President Corazon C. Aquino's Commission on Good Government about corruption in the armed forces.

The investigation, the general said, would look into such things as overpricing of supplies and construction materials, kickbacks or illegal commissions, and misuse of government money.

He said the military was interested not only in cleaning up its ranks but also in recovering the stolen wealth, "since that is armed forces property."

General Ramos said the board, to be called the New Armed Forces of the Philippines Anti-Graft and Corrupt Practices Board, will have seven members, five of them retired generals and the others colonels. It will be headed by Brigadier General Manuel Flores, a former superintendent of the Philippine Military Academy.

Meanwhile, more than 6,000 Marcos supporters held a peaceful rally Sunday after persuading city officials that they would prevent the violence that has marked previous demonstrations.

The loyalists, whose last two major rallies were broken up by policemen firing water cannons, heard several speakers describe Mrs. Aquino as a "dictator."

Mubarak Meets With Hussein

Reuters

AMMAN, Jordan — President Hosni Mubarak of Egypt arrived in Jordan's Red Sea port city of Aqaba on Sunday for talks with King Hussein.

An official in the presidential party, contacted by telephone from Amman, said Mr. Mubarak would return home later Sunday.

The two leaders, who last met in Cairo in March, have exchanged frequent visits since September 1984.

Romeo Ranoco/Reuters

General Fidel V. Ramos announces the formation of a board to investigate corruption among military officers.

AQUINO: *Wariness Toward U.S.*

(Continued from Page 1)

Mr. Laurel had "spoken rashly" and "committed a gaffe."

But the cobwebs of doubt remain, and they are mutual. At the news conference that concluded his visit, Mr. Shultz praised Mrs. Aquino's warmth, dignity and qualities of leadership. But he also raised eyebrows among Filipinos in going out of his way to praise Mr. Marcos for avoiding bloodshed during his final hours in power.

In fact, according to accounts emerging in Manila, Mr. Marcos repeatedly issued orders to fire on the rebel soldiers who were surrounded by crowds of civilians, only to have his orders ignored.

Mrs. Aquino differs from Mr. Marcos in her determination to reconcile the political right, which her predecessor represented, with the left. But in addressing the very problem that led to the withdrawal of U.S. support from the Marcos government, she has created some uncertainty.

At a May Day rally, she worried some of her supporters by appearing on stage with two Communist leaders whom she had released from prison, and by sitting, however unwillingly, through a rendition of the "Internationale," the revolutionary hymn.

She appears to have only the formal support of many in the military, and little support from U.S. diplomats, for her attempt to arrange a cease-fire with Communist insurgents.

Her government's public debate over whether to honor about $26 billion in foreign debts inherited from Mr. Marcos has dampened for the moment the climate for foreign lending and investment.

And although her position on the two large U.S. bases in the Philippines does not differ significantly from that of her predecessor — she says she will review the base agreement when it expires in 1991 — this question, too, remains an uncertainty for the United States.

However, the wariness with which the two governments view each other is not altogether a disadvantage for Mrs. Aquino, as she seeks to retain the support of both right and left in the Philippines. Leftist demonstrators can no longer use the description "U.S.-Marcos dictatorship" as a rallying cry.

Rally in South Korea Ends in Violence

By Clyde Haberman
New York Times Service

MASAN, South Korea — A peaceful anti-government rally and march by thousands of South Koreans ended with riot policemen firing tear gas to disperse several hundred students who attacked them with sticks and rocks.

So much tear gas was used Saturday that fumes filled the broad streets of this southern industrial city for hours. The police reported that 20 officers were injured and 28 students arrested.

But the protest was orderly for the most part, buoying dissident politicians who have recently called rallies to press demands for constitutional change to allow direct elections before President Chun Doo Hwan's term expires in March 1988.

The opposition leaders regarded Saturday's rally as a test of their ability to maintain calm after a pitched battle in the port of Inchon on May 3 caused one of the most violent political episodes in South Korea in recent years.

In Inchon, 20 miles (32 kilometers) west of Seoul, militant students and workers threw gasoline bombs and rocks at riot police, who responded with volleys of tear-gas grenades. More than 100 people were wounded, many of them officers, and 150 people were arrested.

After the violence, the government called on the opposition New Korea Democratic Party to cancel plans for the gathering Saturday in Masan, the seventh in a series of rallies that have drawn unexpectedly large crowds nationwide.

Home Minister Chung Suk Mo warned Friday that "an unhappy situation is expected" in Masan. Some opposition politicians were concerned that a repeat of the Inchon incident could lead to a further crackdown on dissent.

But an indoor rally of about 15,000 people Saturday in this city's sports complex went peacefully, as did a subsequent march through the streets by 20,000 or more anti-government demonstrators. Thousands of Masan's 460,000 residents watched from curbsides and roofs and in the packed streets, where they were often indistinguishable from the protesters.

Kim Young Sam, a leading dissident politician, said: "Today was a watershed. I think the mood here indicates that the government must change the constitution soon."

He said that the opposition party, composed largely of moderates contesting Mr. Chun's authoritarian rule, had received assurances from militant students at Seoul National University that they would control the violence.

Students and politicians are divided on ideology and tactics. Student activists, in language far more aggressive than that of the politicians, denounced Mr. Chun, the United States and the opposition party itself for being too eager to compromise with the government.

Some of the more extremist campus groups, including one called Minmintu and another known as the United Minjung Movement for Democracy and Unification, have also sought confrontations with the police to dramatize their cause.

On Saturday, when the politicians and most of their supporters had drifted away, several hundred militant young people squared off against rows of helmeted, shield-carrying officers who had emerged from side streets. It seemed to witnesses that the students were looking for a fight.

Some charged into the phalanxes of riot policemen, smashing staves against the shields. Others threw objects, while still others set strips of cloth on fire and threw them at the officers.

Forty minutes later, the police put on gas masks and fired at least two dozen tear-gas canisters into the crowd, dispersing it immediately. Policemen patrolled the streets well into the night.

Reuters

Demonstrators march through the streets of Masan chanting "Down with dictatorship!"

Ershad Asserts His Party Will Be Able to Rule

The Associated Press

DHAKA, Bangladesh — President Hussain Mohammed Ershad has that said his Jatiya Party will be able to carry out his policies in parliament even though it appears that the party has not won a two-thirds majority in last week's elections.

General Ershad said Saturday that he did not expect problems from the military, through which he has ruled, because his Jatiya Party will not have total control of parliament.

"My mood is the military's mood," he said when asked to assess the reaction of army leaders to the results of the election, which were worse than predicted. "We wanted this election to be held."

There have been fears that the military might withdraw its support for General Ershad since he did not manage to get a two-thirds majority in parliament, which some view as necessary to rule the country.

[With results counted in 245 of the 300 seats at stake, the Jatiya Party had 118, Reuters reported from Dhaka on Sunday. The main 15-party opposition alliance took 87, of which 67 went to its major group, the Awami League.

[The Awami League has accused Jatiya supporters of widespread fraud and demanded a new vote in 100 constituencies. The Election Commission said it has ordered new polls on May 19 in 37 constituencies where voting had to be suspended Wednesday because of violence.]

At least 12 persons died in violence during the election. Small bombs were tossed to frighten away voters, polling stations were seized by thugs and ballot boxes were stuffed with fraudulent votes.

General Ershad defended the elections as fair and said his own party would have won more than 200 seats if the Awami League had not resorted to vote-rigging.

The president did not indicate when the martial law he imposed in 1982 would be lifted, although he insisted that the purpose of electing a parliament was to return the country to democracy.

He said he would let parliament decide when to hold presidential elections, which he has said were necessary before martial law could be ended.

General Ershad made it clear that he expected the Jatiya Party, which was created in January shortly before he announced the elections, to be able to control most parliamentary actions.

He said there were indications that the Jatiya Party would gain about 150 of the 300 elected parliamentary seats in national elections held Wednesday. Thirty other seats are reserved for women to be chosen by the elected members, and presumably most will go to Jatiya supporters.

General Ershad said he expected the leader of the Awami League, Sheikh Hasina Wazed, and other coalition members to take their seats in parliament. "After 10 years out of power, they will not just throw this away," he said.

The general also said he hoped to give parliament more power. He noted that the Bangladeshi Constitution gives enormous powers to the president and said, "It is impossible for one man to run a country."

Meanwhile, the opposition Bangladesh Nationalist Party announced that its leader, Khaleda Zia, was freed Saturday after six days of house arrest.

Soviet and Indonesia Sign Trade Agreement

Reuters

JAKARTA — A Soviet trade delegation has signed an agreement with Indonesia to exchange economic information and increase contacts.

The four-man delegation from the Soviet Chamber of Commerce signed the agreement on Saturday. The two sides will exchange economic and trade information.

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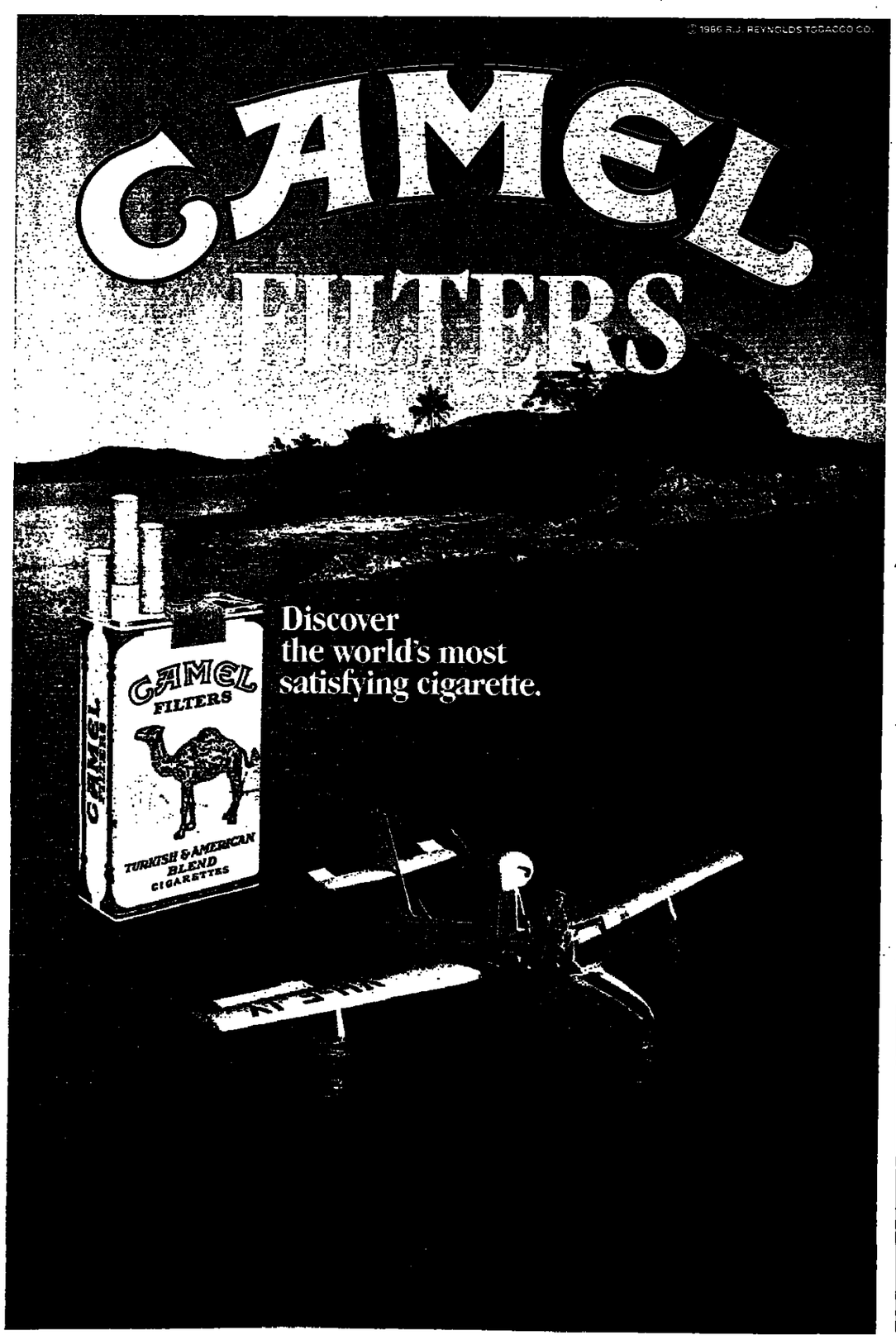

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Central American Treaty Would Cost $40 Million a Year, U.S. Estimates

By Joanne Omang
Washington Post Service

WASHINGTON — The State Department has estimated that it would cost $40 million a year and require 1,300 permanent observers to ensure compliance with any Central American peace treaty, according to a recent analysis.

Such an arrangement, which the department said would cost $9.2 million to establish, is expected to be proposed by U.S. allies in the region during the next three weeks as part of the final Contadora pact negotiations. Negotiators hope to finish by June 6.

Richard G. Lugar, Republican of Indiana and chairman of the Senate Foreign Relations Committee, said that Philip C. Habib, the U.S. special envoy, in meetings with the presidents of El Salvador, Honduras, Guatemala and Costa Rica, had "succeeded in getting a real recognition of what is needed" in a treaty.

Mr. Lugar, who returned from Central America on Friday, said the United States would support any treaty that contained adequate verification and enforcement procedures and that pushed Nicaragua toward democracy.

The Contadora talks, named for the island where Colombia, Panama, Venezuela and Mexico started the effort, have been stalled for months.

Nicaragua agreed to sign a September 1984 version of the treaty that others, at the urging of the United States, condemned as lacking an adequate verification system.

Subsequent negotiations produced tentative agreement on verification in a September 1985 Contadora draft, but the State Department analysis found that proposal "virtually silent on the crucial details of staffing, powers, resources and access."

[President Daniel Ortega Saavedra has accused Vernon A. Walters, the U.S. representative to the United Nations, of seeking support for a Latin American military force to invade Nicaragua, United Press International reported from Managua.

["It would never even occur to us that in the next Contadora meeting we would accept the disarmament of Nicaragua while the U.S. envoy is going around trying to form a military force to invade Nicaragua or to cover up an invasion," he said in remarks published Sunday.

[Mr. Ortega provided no details about his allegation. Mr. Walters is currently on a trip to Brazil and Argentina.]

Nicaragua has pledged to sign the latest draft if the United States agrees to halt aid to the rebels. Mr. Habib has said that military aid would cease if Nicaragua signed the final Contadora treaty and abided by it.

The State Department analysis calls for a version of the Sinai Multilateral Force and Observers system, which monitors compliance with a treaty under which Israel returned Sinai to Egypt.

That system involves 3,000 people, including 2,600 soldiers, from 11 nations and costs $90 million a year, paid equally by the United States, Egypt and Israel.

The Contadora treaty involves a much broader list of agreements. It would halt weapons purchases and lower arms levels, require the departure of foreign troops and advisers, ban foreign bases, prohibit support for cross-border insurrections and set up procedures for internal democratization.

The projected $9.2-million start-up cost includes $8 million for vehicles, *and the annual $40 million* cost includes $15 million for "helicopter contracts."

The "most important structural element" of verification is to keep separate the investigating process from the process of resolving disputes and levying punishment, the State Department analysis said. The current treaty draft merges these functions in one body.

The analysis said that investigators need staff, financing, logistical support and guaranteed access throughout the region, with no political body above them.

■ U.S. Attachés Detained

Nicaragua has said that two military attachés from the U.S. Embassy were held briefly by government troops while in a war zone without authorization and that a protest note had been sent to the embassy accusing the two of spying, Reuters reported from Managua.

The note, made available to reporters Friday, said Colonel Alden Cunningham and Captain Barbara Sims were stopped Tuesday 155 miles (250 kilometers) northeast of Managua while traveling in a vehicle with diplomatic license plates.

The note said the two were detained briefly and told to return to Managua.

"Because they are U.S. military officials, the government of Nicaragua has every right to assume they were engaged in espionage," the note said.

A U.S. Embassy spokeswoman had no comment.

Pastora Loses 7 Leaders to Larger Group

By Marjorie Miller
Los Angeles Times Service

SAN JOSE, Costa Rica — The top commanders of the Nicaraguan guerrilla army of Edén Pastora Gomez have abandoned their leader to join forces with the largest rebel group, the United Nicaraguan Opposition.

The Reagan administration, which backs the larger group, had long pressed for an alliance of anti-Sandinist organizations.

But some sources involved in the commanders' shift said that, rather than reflecting a desire for unity, it stemmed from a crisis caused by lack of economic resources.

Mr. Pastora's field commanders signed a communiqué here late Friday saying that the United Nicaraguan Opposition, an alliance of the major Nicaraguan rebel groups, is "the option to unite the combat forces to guarantee success" in the battle to overthrow the Sandinist government in Managua.

The move culminates the latest of many efforts to unite the rebels, who have been divided by leadership struggles and differences over politics and strategy.

AP
Edén Pastora Goméz

The shift by the commanders comes as the Reagan administration renews its efforts to win approval in the House of Representatives for $100 million in military and other economic aid for the rebels.

Six of Mr. Pastora's seven field commanders signed the communiqué and a spokesman said the seventh would join the others but did not want to sign the communiqué.

José Davile, a representative of Mr. Pastora's organization, indicated the shift was one of economic necessity.

SHUTTLE: *Panel Is Critical*

(Continued from Page 1)

investigators and not initially supplied by NASA, which showed that the Marshall Space Flight Center in Huntsville, Alabama, had imposed a "launch constraint" on the shuttle's booster rockets last July.

The constraint required that problems in the rocket joints be fixed before the rockets could be allowed to fly again.

That constraint was imposed, and then repeatedly waived, by Lawrence B. Mulloy, the manager of the booster rocket program at Marshall. Documents indicated that the constraint was removed entirely shortly before the Challenger launch, but NASA officials said the documents were in error.

Mr. Mulloy said that the waivers were granted because each successive flight of the shuttle indicated that it was safe to continue flying while work on the problems continued.

"All you did on these waivers was to waive it," Mr. Rogers said. "We don't see any examples of correction."

Mr. Mulloy replied that further tests were made after each flight.

Mr. Rogers later suggested that NASA had been "lucky not to have a loss of mission and crew" on an earlier flight.

Although Mr. Mulloy said that all officials involved were aware of the history of problems with the joints, Mr. Rogers said that the evidence was "pretty well glossed over" by the space flight center.

Commission members and staff repeatedly suggested that Marshall had deliberately decided not to report the rocket problems in full detail to higher NASA officials in Houston and Washington.

Randy Kehrli, a staff investigator, said that the commission had information that, in 1982 and 1983, Mr. Mulloy's office at Marshall and the shuttle management officials at Houston made a "conscious decision" that Marshall would not report rocket problems discovered after each flight "to the same degree" as in the past.

■ Engineers 'Punished'

David E. Sanger of The New York Times reported from Washington:

The rocket engineers who told the Rogers panel in February that they had argued strenuously against launching the shuttle in cold weather Jan. 28 have now testified that they have been punished for their testimony by their employer, Morton Thiokol.

In testimony given at the May 2 session, the engineers, whose warnings the night before the launching were overruled by Morton Thiokol management, said that in recent months they had been stripped of their authority, deprived of their staffs and prevented from seeing critical data about the Challenger.

FOOD: *11 EC Nations Will Ban Fresh Food Imports From Eastern Europe*

(Continued from Page 1)

ceptable in fruits and vegetables.

Italy, the continent's largest producer of fruits and vegetables, is arguing that the radioactivity levels proposed by the community would discriminate against Italian agriculture. It contends that looser standards were applied to milk from northern Europe.

"It means that the West Germans can sell their milk, but we can't sell our vegetables," said an official of Italy's Civil Protection Ministry.

Italy said it was not seeking to export produce that was potentially radioactive, and that it planned to destroy such products. It said its main complaint was that the EC standards would harm Italian agriculture far more than the agriculture of other countries.

France imposed its own unilateral ban Friday on food and fresh vegetables from Eastern Europe. Similar bans already had been adopted by Italy, Spain, Austria and West Germany.

The French decision came hours after a panel of nuclear experts for the Organization for Economic Cooperation and Development concluded in Paris that the Soviet reactor accident had caused "no significant risk to public health" in any of the 24 member countries.

A communiqué issued late Friday by the French Agriculture Ministry reversed France's previous stance that such a ban was unnecessary and unduly alarming.

Political commentators in France suggested that the action was prompted by pressure from ecological groups for stronger action and widespread criticism of France's position in both the conservative and leftist press.

The strongest and earliest action was taken by Italy, which banned its own leafy produce and recommended restrictions on consumption of milk by pregnant women and children under 10.

Politicians in Italy suggested that its stringent stance was motivated partly by embarrassment over the unrelated methyl-alcohol contamination of some Italian red wines.

In West Germany, some state governments have imposed much stricter standards than those suggested by the federal government.

The state of Baden-Württemberg, for example, has closed public playgrounds and imposed its own ban on the sale of all leafy vegetables.

Politicians said electoral pressure from the anti-nuclear Green party was a major factor in West Germany.

Dr. Erich Oberhausen, chairman of the Commission for Radioactive Protection, said: "I have the impression that our government in Bonn is doing all right. Different German states have overreacted."

At the other end of the spectrum, Armin Clauss, a Social Democratic minister in the Hesse state government, accused the Bonn government of "scandalously minimizing the dangers" of the disaster.

If West German experts and politicians have left the public fearful with their contradictory conclusions, France is at the other extreme.

About 65 percent of France's electricity is generated by nuclear power, the highest percentage in Europe. French government officials have played down any dangers and have released as little information as possible.

A headline Friday in the leftist daily newspaper Libération read: "France, the European red light for information."

[The Central Service for Protection Against Radiation on Saturday released detailed information on radiation levels over France, United Press International reported from Paris.

[The director of the service, Pierre Pellerin, said the highest levels were recorded May 2, when radiation was 200 to 400 times higher than normal. By Tuesday, he said, radiation levels in the atmosphere had returned to normal.

[The center said previously that it had detected increased levels of radiation after the accident, but had emphasized that the levels represented no threat to public health.]

Britain, which often has viewed its island status as a form of salvation, has escaped the worst of the disaster and has taken few extraordinary measures.

Spain also has largely been unaffected by the radioactive fallout. Its Nuclear Safety Board issued a statement saying that Spanish produce is "suitable for human consumption without any limitations."

But national boundaries have been a doubtful way of measuring differences in radiation, as reflected in Italy's early ban on leafy vegetables.

"Is it really credible," said Giuseppe Zamberletti, Italy's minister of civil protection, "that Sardinian vegetables were contaminated but those from Corsica were not?" Sardinia is Italian territory, while the neighboring island of Corsica belongs to the French.

EXPEL: *Syrians to Leave*

(Continued from Page 1)

boarded an El Al flight to Tel Aviv from Heathrow Airport.

Mr. Hindawi's brother, Ahmed Nawaf Mansour Hasi, is one of two persons held in West Berlin for the discotheque bombing April 5.

West German police have said that Mr. Hasi, while denying participation in that attack, has confessed that he and his brother planned the bombing March 29 of the German-Arab friendship society in West Berlin.

Police said Mr. Hasi told them the explosives for the friendship society bombing had come from the Syrian Embassy in East Berlin.

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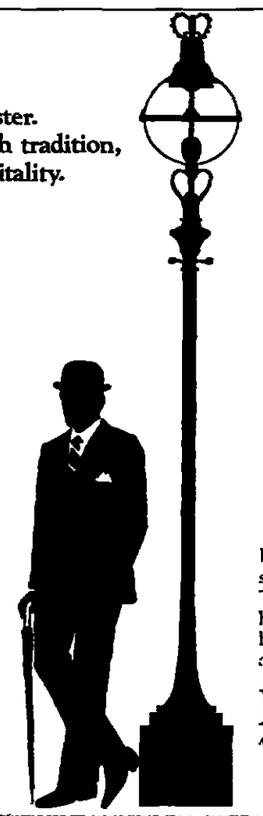

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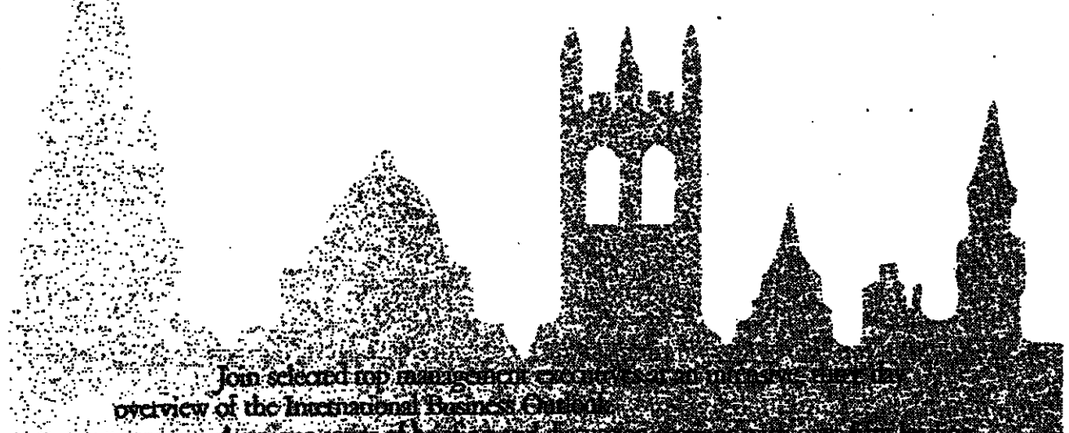

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RECENT ISSUES

May 7

Amt	Security	Mat	Str/Conv	Issue Price	Mid Price	Yield
dm 300	Ireland	5¾ % '96 May	s	99½	99	5.88
$ 200	Ford Motor Credit Co	7¼ % '89 May	s	100¾	100	7.25
dm 750	Deutsche Bank Finance	5⅝ % '96 May	s	100	98	5.89
ecu 100	Banque Nationale Paris	7⅜ % '93 Aug	s	100½	100½	7.03
ecu 100	Ireland	7¼ % '96 May	s	100¾	100	7.12
$ 250	Electricite France	7⅝ % '96 May	s	101¼	97¼	8.13
$ 150	Electrolux	7⅝ % '93 May	s	100½	96	8.40
$ 150	Beneficial Properti Inc	7⅝ % '93 Jun	s	100	97	8.22
$ 100	First Boston Inc	7¼ % '96 May	s	99	95	8.51
$ 100	Honeywell Inc	7⅝ % '96 May	s	100¼	97½	8.25
dm 300	Dow Chemical Co	5⅞ % '96 May	s	100	96¼	6.14
$ 200	Pepsico Inc	7⅜ % '93 May	s	100¾	98¾	8.03
$ 125	Caisse Nat Cred Agric	7½ % '96 May	s	100½	99	7.64
dm 150	Eib Europ Invest Bank	5¾ % '16 May	s	100	98½	5.86
$ 100	Campbell Soup Co	7¾ % '96 Apr	s	99¼	95½	8.10
$ 100	Union Pacific Corp	7⅝ % '96 May	s	99¾	95	8.51
$ 150	Chicorp	8 % '93 May	s	100¾	97	8.58
ecu 75	Giroz Bank Sparkassen	7 % '93 Oct	s	100¾	99½	7.14
ecu 75	Robobank Nederland	7½ % '96 May	s	101	102¼	7.16
$ 110	Deutsche Siedlungs Bk	7⅝ % '96 Apr	s	100	97½	7.87
dm 100	Steiro Ag	5¾ % '96 May	s	100	95¼	6.11
y 25000	Dow Chemical Co	6⅝ % '01 Apr	s	101¼	99½	6.67
$ 100	Credit Foncier Petit M	7¾ % '96 Mar	s	100¾	98½	7.97
$ 105	Statoil Den Norske	7 % '89 Apr	s	101	98¼	7.63
dm 250	Belgium	5½ % '96 Apr	s	100	95¼	6.18
dm 300	Bank Of Nova Scotia	5¾ % '96 May	s	100¾	95	6.31
dm 125	Quebec Hydro	5½ % '94 May	s	100	95½	6.12
dm 150	Quebec Hydro	6 % '16 May	s	100	98¼	6.13
dm 200	Bmw Finance	5¼ % '96 Apr	s	100	96	5.79
ecu 250	Denmark	7⅝ % '96 Apr	s	100	101	7.48

STRAIGHT BONDS
All Currencies Except DM

AUSTRALIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 120	Australia	8½	'86 Oct	100¼	7.65		8.48
$ 100	Australia	11¼	'90 Oct	115	7.17		9.78
$ 40	Australia	8¾	'91 Oct	101¼	8.34	8.12	8.61
$ 200	Australia	11	'95 May	118	8.11		9.32
$ 300	Australia	11½	'95 Oct	121	8.20		9.50
$ 100	Australia	11⅛	'98 Oct	126	8.20		9.23
$ 100	Australia	11¼	'88 May	118	8.90		9.58
[illegible]							

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FRANCE

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 20	Banque Franc Com Ext	9	'89 Mar	100	8.96	8.97	9.00
$ 100	Banque Indosuez	15	'89 May	117	8.40		12.82
$ 60	Banque Indosuez	15¼	'89 Aug	118	8.67		12.92
$ 100	Banque Indosuez	11¾	'92 Sep	115	8.45		10.11
[illegible]							

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to Average Life Below 5 Years

[illegible]

HIGHEST YIELDS
to Average Life Above 5 Years

[illegible]

HIGHEST CURRENT YIELDS

[illegible]

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[illegible]

DM STRAIGHT BONDS

AUSTRALIA

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
dm 100	Australia	7	'87 Feb	101¾	4.49	4.50	6.88
[illegible]							

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[illegible]

(Continued on next left-hand page)

ZERO-COUPON BONDS

May 7

Security	Final Maturity	Original Offerings Amt	Year	Price	Offered Price
American Intl Group	15 Aug 2004	$ 750	1984	12	20⅝
Asian Develop Bank	31 Aug 2004	$ 1000	1984	10⅛	23
Atlantic Richfield Co	4 Feb 1992	$ 300	1982	25⅝	60⅛
Baker Intl Finance	25 Feb 1992	$ 225	1982	[illegible]	[illegible]
Beatrice Foods O/s	9 Feb 1992	$ 250	1982	[illegible]	[illegible]
Belgium	29 Apr 1996	dm 200	1986	[illegible]	[illegible]
Campbell Soup O/s Fin	21 Apr 1992	$ 200	1982	27	[illegible]
Caterpillar Fin Serv	11 Aug 1993	$ 300	1982	24	[illegible]
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	[illegible]	[illegible]
Centrust Savings Bank	15 Feb 2018	$ 1200	1985	[illegible]	12
Commerzbank	22 May 1995	dm 200	1985	50	[illegible]
Commerzbank	4 Aug 2000	dm 300	1985	[illegible]	[illegible]
Connecticut Mut Life	11 Sep 2000	$ 115	1985	[illegible]	[illegible]
Dow Chemical	30 May 1997	$ 200	1985	29	[illegible]
Du Pont Overseas Cap	11 Feb 1990	$ 500	1982	[illegible]	[illegible]
Eksportfinans	3 Oct 1994	$ 350	1984	[illegible]	51
Electricite France	11 Sep 1991	$ 300	1984	[illegible]	[illegible]
Exxon Capital	15 Nov 2004	$ 1800	1984	[illegible]	[illegible]
Florida Feder Savings	15 Jul 1993	$ 100	1985	[illegible]	[illegible]
Gaz De France	23 Feb 1992	$ 150	1982	[illegible]	[illegible]
Gaz De France	1 Mar 1994	$ 150	1982	[illegible]	55
General Electric Cred	17 Feb 1992	$ 400	1982	[illegible]	64
General Electric Cred	17 Feb 1993	$ 400	1982	[illegible]	[illegible]
General Electric Cred	4 Mar 1994	$ 200	1982	[illegible]	54
General Electric Cred	4 Mar 1995	$ 200	1982	[illegible]	[illegible]
General Electric Cred	10 Jul 1996	$ 600	1984	[illegible]	44
General Mills Inc	15 Aug 2004	$ 250	1984	[illegible]	20
General Mills Inc	15 Aug 2013	$ 1000	1984	[illegible]	9
Gmac O/s Finance	16 Feb 1990	$ 150	1982	34	[illegible]
Gmac O/s Finance	3 Feb 1992	$ 250	1982	[illegible]	63
Gmac O/s Finance	1 Oct 1992	$ 400	1982	[illegible]	60
Gulf Oil Finance	2 Mar 1992	$ 300	1982	[illegible]	[illegible]
Hewlett-Packard Fin	2 Jan 1991	$ 150	1985	[illegible]	[illegible]
Italy	9 May 1996	ecu 400	1986	52	51
Nordic Investment Bk	11 Sep 1994	$ 150	1984	[illegible]	[illegible]
Pearson	7 May 1992	$ 100	1985	[illegible]	[illegible]
Penney Jc Global Fin	17 Feb 1994	$ 300	1982	[illegible]	[illegible]
Pepsico Capital	4 Feb 1992	$ 100	1982	26	[illegible]
Pepsico Capital	2 Mar 1994	$ 725	1982	[illegible]	[illegible]
Philip Morris Credit	8 Jun 1994	$ 200	1982	[illegible]	[illegible]
Prudential Realty Sec	15 Jan 1999	$ 365	1984	[illegible]	[illegible]
Redland Finance	25 Apr 1992	£ 60	1982	48	[illegible]
Reynolds RJ O/s	19 Feb 1992	$ 400	1982	[illegible]	61
Sears Overseas	19 Feb 1992	$ 400	1982	[illegible]	[illegible]
Sears Overseas	27 May 1994	$ 400	1982	[illegible]	[illegible]
Sears Overseas	22 Jul 1994	$ 500	1982	[illegible]	[illegible]
Swedish Export Credit	10 Mar 1994	$ 200	1982	[illegible]	[illegible]
Swedish Export Credit	11 Sep 1994	$ 200	1984	[illegible]	[illegible]
Swiss Bank Corp	14 Nov 1997	$ 400	1984	[illegible]	[illegible]
Wells Fargo Intl Fin.	4 Feb 1992	$ 125	1982	[illegible]	[illegible]
World Bank	28 Dec 2015	[illegible]	1985	13	[illegible]
Xerox Credit O/s Fin	11 Feb 1992	$ 250	1982	[illegible]	[illegible]

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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

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BUSINESS/FINANCE
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EUROBONDS

Election Results Throw Doubt on Holding Sterling

By BOB HAGERTY
International Herald Tribune

LONDON — A British businessman in Nigeria once remarked that a coup d'etat in that country made much less difference than a peaceful change of government in Britain. So last Thursday's midterm election results in Britain might be expected to jangle foreigners holding pound-denominated securities.

In the polling for two parliamentary seats, the governing Conservative Party lost one district previously considered reliable and barely held on to a second. In simultaneous municipal elections, the Conservatives performed miserably.

"JUST SHORT OF CALAMITY," bellowed the London Standard. "TORIES TROUNCED," noted the slightly less subtle Sun.

In the City, London's financial neighborhood, the reaction was more restrained. "The market should take more cognizance" of the risk that the Conservatives will lose the next general election, due by mid-1988, said Graham Bishop, an analyst at Salomon Brothers. "The most risky period," he said, "is from now on as people simply wake up to the risk."

Despite the Conservatives' progress in slowing inflation during their seven years of rule, unemployment remains uncomfortably high at 13.2 percent, and many voters are upset by cuts in public services. Last week's voting "showed that simply getting inflation down isn't enough," said Bill Martin, an economist at Phillips & Drew.

Even so, he and many others judged that it is too early to panic, though it might be time to start preparing to panic later.

In the short term, many fund managers see advantages in holding pound-denominated paper. For three-month paper, for instance, British interest rates are more than five percentage points above those on the Deutsche mark or yen and nearly four points above the dollar. The British government is holding interest rates high to keep the pound strong and thus avoid an inflationary rise in import costs.

In addition, the pound could benefit from any further rebound in oil prices, since Britain is a major oil exporter, though many analysts expect oil to weaken again.

As usual, the pound has potential to move a long way in either direction, analysts say. To profit from holding sterling bonds, "you have to be very nimble," observed Gordon Johns, director of the bond investment department at Lazard Securities.

ASIDE from the political anxiety, there are other reasons to worry about an eventual plunge in the pound. Racy growth of the money supply, for instance, is "like a wound-up elastic band that could suddenly unwind into inflationary spending," said Adam Parkin, a director of Foreign & Colonial Management Ltd.

At the same time, Britain's wage costs are rising faster than those of its main trading partners, portending a need for a fall in the pound to make British goods cheap enough to sell overseas. Phillips & Drew forecasts that unit wage costs in manufacturing will rise 5.5 percent in Britain this year, compared with 2 percent in the United States and 1 percent in West Germany.

To gain more economic growth and votes, the government might be tempted to push interest rates down, depriving the pound of its interest-rate advantage over other major currencies. With all the other worrisome trends, that might be enough to tip the pound into a nose dive later this year, P&D's Mr. Martin fears.

Another kind of political risk confronts investors who view South Korea as the next Japan and want to buy a slice now.

Despite the violence of recent anti-government rallies in South Korea, such investors are expected to grab for a $40-million issue of 15-year convertible Eurobonds from Daewoo Heavy Industries Ltd. Terms are to be fixed Friday, but the lead managers of the issue have indicated a 3-percent interest coupon and an unusually high premium of 50 percent over the current share price for converting the bonds into shares.

Daewoo can command such a high premium because the chance to invest directly in a Korean company is rare. The Daewoo issue is only the second Korean convertible, following Samsung Electronics Ltd.'s pioneering $20-million issue last

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Eurobond Yields
For Week Ended May 7

U.S.$ lg term, Int'l inst.	8.37 %
U.S.$ long term, ind.	8.56 %
U.S.$ medium term, ind.	8.96 %
Can.$ medium term	9.81 %
French Fr. short term	8.14 %
Sterling medium term	9.36 %
Yen medium term, Int'l inst.	5.99 %
Yen lg term, Int'l inst.	6.24 %
ECU short term	7.21 %
ECU medium term	7.63 %
ECU long term	8.01 %
EUA medium term	8.84 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended May 9
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	23,015.30	13,398.90	9,616.40
Euroclear	39,836.70	29,893.40	9,943.30

China Pledges to Cooperate

Baker Seeks Help For U.S. Investors

By Daniel Southerland
Washington Post Service

BEIJING — Chinese officials have promised to "try very hard" to resolve a wide range of problems confronting American businessmen investing in China, U.S. Treasury Secretary James A. Baker 3d said over the weekend.

But he said there had been no progress on a proposed investment treaty, which the United States argues would greatly improve American business prospects here.

Mr. Baker was in Beijing as head of the U.S. delegation to the sixth annual Chinese-U.S. Joint Economic Commission, which ended Saturday.

He said that Chinese officials expressed a desire to solve foreign-exchange problems that have halted production at Beijing Jeep Corp., the $51-million joint venture with American Motors Corp.

Among the "serious problems" American businesses face in China, Mr. Baker cited high costs, lack of skilled workers in some cases and uneven application of tax laws and regulations.

He said that Chinese officials "very much want to see greater foreign investment" and were open to suggestions and criticism.

"I would tell American businesses that are suffering from these problems to hang in there," he said.

The countries have held six rounds of talks on the investment treaty. U.S. officials said the two sides differed over how to arbitrate disputes, deal with expropriations and insure that a joint venture had the same access to raw materials as a Chinese enterprise would.

U.S., Canada: At Loggerheads

The New York Times
A scaler paces off logs at a timber lot in Vancouver.

By Douglas Martin
New York Times Service

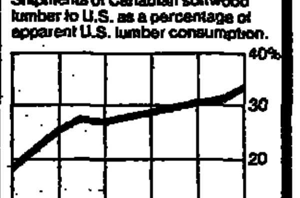
TORONTO — Just as the United States and Canada are about to begin delicate negotiations to liberalize trade and integrate their economies, the biggest trade dispute between the world's largest trading partners may be about to bubble over.

The dispute, which is several years old, revolves around allegations by American lumber companies that their Canadian counterparts are unfairly subsidized through a government pricing system. Now, according to several U.S. diplomatic and industry sources, the American interests are planning to file a petition to seek import duties to offset the purported subsidies.

The Americans would seem to have a better chance of winning than in 1983, when they lost a similar battle, because of reinterpretations of the trade law by the Commerce Department. Further, trade legislation before the House of Representatives may make it easier to move against Canadian lumber.

But the Americans' strongest bet may be the support of President Ronald Reagan, who last

Canada's Rising Share Of U.S. Lumber Market
Shipments of Canadian softwood lumber to U.S. as a percentage of apparent U.S. lumber consumption.



Source: Canadian Council of Forest Industries of British Columbia

month persuaded Bob Packwood, the Republican senator from the timber state of Oregon, to change his mind and vote for the trade talks with Canada, a major White House goal. The president is said to have promised Mr. Packwood, chairman of the Senate Finance Committee, a supportive letter on the lumber issue.

In that letter, Mr. Reagan is expected to reiterate his support for solving the lumber issue before the broader trade talks are completed. In addition, the lumber industry and its political supporters hope Mr. Reagan will threaten unilateral action under Section 301 of the Unfair Trade Practices Act.

The timing of the petition on the duties has not been determined, but industry lawyers indicate that it could be filed with the International Trade Commission, a U.S. agency, as early as this week.

If the commission made a preliminary determination that the American industry had been damaged by subsidies, then the Canadian companies could be forced to pay duties into an escrow account within months. A final determination, which would also involve the Commerce Department, would probably take a year and could lead to permanent duties.

The petition would be only the latest in a recent series of steps to deal with Canadian lumber.

Canada is greatly angered by

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Saatchi to Buy Ted Bates for $450 Million

By Bob Hagerty
International Herald Tribune

LONDON — Saatchi & Saatchi Co., formed just 16 years ago by two brothers, announced Sunday an acquisition that would make it the world's biggest advertising company.

Saatchi said it had agreed to buy New York-based Ted Bates Worldwide Inc. for $450 million. Bates, which is owned by its executives, is the third-largest U.S. ad agency. Saatchi, based in London, is one of the world's two or three biggest ad concerns.

Together, Saatchi said, the two companies would have billings of about $7.5 billion. That would easily exceed the combined $5 billion of BBDO International Inc., Doyle Dane Bernbach Group Inc. and Needham Harper Worldwide Inc., which announced a merger last month. Ad agencies typically receive about 15 percent of their billings as revenue.

The combination of Saatchi and Bates would work with 60 of the world's 100 largest advertisers, according to Saatchi, which has long heralded a trend toward global advertising for major brands rather than use of a different approach in each market.

But potential conflicts of interest seem likely to cause the loss of some clients. For instance, Saatchi creates ads for Procter & Gamble Co., while Bates works for Colgate-Palmolive Co., a major rival. A source familiar with the Saatchi-Bates accord said it was likely that Colgate would soon go elsewhere with $80 million a year of business currently handled by Bates.

Bates would be the third sizable U.S. ad agency acquired by Saatchi in the past year. In total, Saatchi has made a dozen acquisitions ranging from $1 million to $75 million over the past 18 months, prompting some critics to dub the company "Snatchit & Snatchit."

The Bates acquisition would be by far the biggest ever for Saatchi, formed in 1970 by Charles and Maurice Saatchi, who were then in their mid-20s and had £25,000 ($39,000) of capital.

"To be one of the world's very largest agencies is to enjoy a strong and secure position for continued growth," Saatchi said Sunday. "Conversely, to be outside that small group is to face increasing vulnerability."

Donald Zuckert, president of Bates, said the combined company would have unmatched "media-buying muscle." That translates into the ability to demand big discounts from ad salesmen.

Saatchi said it had agreed to pay $400 million on completion of the purchase, which is subject to shareholder and government approval. In 1988, Saatchi is to pay another $50 million to about 200 "key employee-shareholders" of Bates.

Bates's pretax profit in the year ended March 31 is estimated at $55.3 million, up only modestly from $54 million the previous year and $49.7 million four years ago. Saatchi has forecast pretax profit of £67.9 million in the year ending Sept. 30, up 68 percent from a year before and representing the fifth consecutive year of growth above 50 percent.

Bates, which was founded in 1940, "will continue to operate independently under its own name and management," Saatchi said.

Along with advertising, Saatchi has been expanding aggressively into such areas as management consulting, public relations, direct marketing, sales promotion, design and research.

"The company's objective remains to secure a 10-percent share in all the markets in which it operates," Saatchi said.

Norway's Krone Devalued 12%

Reuters

OSLO — Norway's Labor government, which was installed Friday, said Sunday that it was devaluing the krone by 12 percent, effective immediately.

Prime Minister Gro Harlem Brundtland said at a news conference that the devaluation was vital to compensate for a massive drop in revenue from Norway's oil fields. Mrs. Brundtland's minority government was installed after a Conservative coalition resigned in a defeat over its planned austerity measures.

Mrs. Brundtland said the devaluation would improve Norway's export potential and end devaluation speculation that had drained almost 50 billion crowns ($7 billion) from the country's foreign-exchange reserves since November.

Only Big Banks Said to Gain From U.S. Debt Policy

By Carl Hartman
The Associated Press

WASHINGTON — Reagan administration policy on the Third World's nearly $1-trillion debt has helped big banks but damaged small ones, farmers, workers and the debtor nations themselves, a congressional study has contended.

"It was clear from the outset that the Third World debt problem posed a serious, potentially even catastrophic threat to the stability of the international financial system," said the report by the staff of the Joint Economic Committee.

It said catastrophe has been avoided, but it suggested that the relief was temporary.

"Current administration policies offer Latin American debtor nations little hope that their debt service burden will be eased anytime soon," said the report, which was released Friday.

"Consequently, the pressure on Latin American leaders to default or declare a debt moratorium could increase substantially. This, in turn, could force banks to write down their Latin American loans by an amount that would impair their capital."

The committee's chairman, Representative David R. Obey, Democrat of Wisconsin, added in a statement:

"The study clearly shows that, since 1982, the administration has pursued policies that, in effect, rewarded the big American banks whose unwise lending policies helped precipitate the crisis, while penalizing American farmers and other American exporters."

The report said the debt crisis reduced Latin American purchases of U.S. farm products to one-third below the level of 1981. It asserted that the decline was nearly five times as damaging to U.S. farmers as the reduction in sales to the Soviet Union, begun when President Jimmy Carter ordered a partial ban after the Soviet action in Afghanistan.

To meet interest payments, debtor governments had to increase their exports so that they competed more fiercely with U.S. producers for a share of world markets, the study said. The competition helped push down prices, including prices paid to U.S. farmers.

The report cited estimates that more than a million jobs had been lost in the United States because of reduced American exports to debtor countries, and increased imports from them.

The report said the crisis led to the failure of many U.S. banks that had large agricultural loans. At the same time, the report said, banks with large Latin loans increased the interest rates they charged to borrowing countries.

'Current administration policies offer Latin American debtor nations little hope that their debt-service burden will be eased anytime soon,' the congressional study said.

The study saw little new in the proposal by the U.S. Treasury secretary, James A. Baker 3d, last October for $29 billion in additional lending to 15 countries, 10 of them in Latin America. The study said that the difference now is that the focus has shifted to growth from austerity, and responsibility has shifted from the International Monetary Fund to the World Bank.

Mr. Baker has urged that the World Bank set up longer-term adjustment policies for debtor countries, including cuts in government spending. His proposal was aimed at increasing economic growth in debtor countries, so that debtors could be paid and domestic needs still be met.

But it is doubtful, the report said, that the amount called for by the Baker plan would be sufficient "either to reduce current pressures on debtor nations to expand exports or permit them to boost their growth, investment and imports."

The report suggested two alternative policies:

- To ask the commercial banks to cut or eliminate the difference between the interest rate they charge to borrowing countries and the rate they pay on money they borrow themselves.
- To limit interest payments by borrowing countries to a fixed percentage of what they earn from exports. The report suggested a limit of 25 percent, along with instructions to banks to reduce the amount of their loans by 1 percent for each year that the limit remains in effect.

The study said these approaches would limit the amounts that debtors have to pay, without making the banks unprofitable.

Grace Agrees to Buyout Of Restaurant Group

By Richard W. Stevenson
New York Times Service

NEW YORK — W.R. Grace & Co. has announced that it has agreed in principle to a leveraged buyout of its restaurant group. The transaction should bring the company more than $500 million.

The proposed transaction is the latest in a series of divestitures announced by Grace. The sales have taken the company out of the retailing business and greatly reduced its restaurant holdings.

The New York-based company is left with a large specialty chemicals business, agricultural chemicals, natural resources and a general business group.

The buyout of the restaurant group would be led by Anwar Soliman, the Grace executive in charge of the restaurant group, along with other Grace executives and Drexel Burnham Lambert Inc. Under the proposed terms, Grace would retain a 49-percent interest in the restaurant operations.

The restaurant group has 689 outlets in more than a dozen chains, including Coco's, Houlihan's Old Place, Charley Brown's and Bristol Bar and Grill.

The restaurant group last year had operating profit, after taxes, of $17.9 million on sales of $1.03 billion.

The buyout is subject to negotiation of final terms, obtaining financing and the Grace board's approval.

Charles H. Erhart Jr., Grace's vice chairman, said: "While it is still too early to make a definitive estimate, we expect total proceeds to Grace to exceed $500 million from this transaction."

The company also announced that it would sell its 82-percent stake in Taco Villa Inc. to Del Taco Inc. of Costa Mesa, California, for $34 million. But Grace would purchase from Taco Villa the Applebee's restaurant chain for $11.3 million.

In recent months, Grace has announced the sales of its 56-percent stake in Herman's Sporting Goods to Dee Corp., a leading British food retailer, for $227 million, and of some of its home improvement and building materials stores to Wickes Cos., a building supply retailer, for an undisclosed price.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1,789.43	1,774.68	+0.83 %
DJ Util.	182.91	181.41	+0.83 %
DJ Trans.	788.03	786.56	+0.19 %
S & P 100	228.02	225.84	+0.96 %
S & P 500	237.85	234.79	+1.30 %
NYSE Cp.	137.12	135.39	+1.28 %
Britain			
FTSE 100	1,593.90	1,653.00	—3.57 %
FT 30	1,323.20	1,365.10	—3.06 %
Hong Kong			
Hang Seng	1,852.21	1,843.10	+0.49 %
Japan			
Nikkei 225	16,194.78	15,868.90	+2.06 %
West Germany			
Commerzbk	2,049.30	2,183.40	—6.14 %

Source: James Capel & Co, London.

Money Rates

United States

	Last Wk.	Prev.Wk.
Discount rate	6½	6½
Federal funds rate	6 13/16	6 13/16
Prime rate	8½	8½
Japan		
Discount	3½	3½
Call money	4¼	4½
60-day interbank	4 9/16	4 9/16
West Germany		
Lombard	5½	5½
Overnight	4.40	n.a.
1-month interbank	4.65	n.a.
Britain		
Bank base rate	10½	10½
Call money	10⅝	10
3-month interbank	10 3/32	10 3/32

Dollar

	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl index	112.80	113.30	—0.44 %

Gold

	Last Wk.	Prev.Wk.	Ch'ge
London p.m. fix. $	345.35	341.60	+1.09 %

Currency Rates

Cross Rates

May 9

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.4555	3.782	112.59 *	35.56 *	0.1642 *	—	5.52 *	135.235 *	151.45 y
Brussels(a)					Closed				
Frankfurt	2.1805	3.358	—	31.40 *	1.457 x	88.82 *	4.904 *	120.10 *	1.3435 *
London (b)	1.5417	—	3.3584	10.6785	2,381.00	3.7787	68.465	2.7827	258.235
Milan	1,497.25	2,305.30	686.06	215.35	—	607.62	33.447	824.41	9.235
New York(c)	—	0.6501 ≡	2.1878	6.9675	1,502.00	2.4635	44.645	1.8178	162.83
Paris	6.944	10.697	3.1849	—	4.641 x	2.8295	15.622 *	3.823	4.2845 *
Tokyo	164.30	252.49	74.99	23.55	10.96 *	66.57	367.56 *	90.15	—
Zurich	1.8173	2.7954	83.215 *	26.15 *	0.1213 *	73.92 *	4.0571 *	—	1.1196 *
1 ECU	0.9862	0.6378	2.1496	6.8467	1,474.61	2.4201	43.9561	1.7887	159.764
1 SDR	1.18452	0.76892	2.58285	8.22531	1,773.52	2.9086	N.Q.	2.1493	192.958

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≡) To buy one pound: $U.S.1.5380

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	4.927	Mex. peso	520.00	Soviet ruble	0.7005
Austral. $	1.3514	Greek drac.	136.50	Norw. krone	6.9225	Span. peseta	138.55
Austr. schil.	15.30	Hong Kong $	7.807	Phil. peso	20.00	Swed. krona	7.02
Belg. fin. fr.	44.66	Indian rupee	12.33	Port. escudo	145.00	Taiwan $	38.47
Brazil cruz.	13.77	Indo. rupiah	1,230.00	Saudi riyal	3.365	Thai baht	26.235
Canadian $	1.381	Irish £	0.7171	Sing. $	2.204	Turkish lira	655.50
Chinese yuan	3.1887	Israeli shek.	1.46	S. Afr. rand	2.1053	UAE dirham	3.673
Danish krone	8.0775	Kuwaiti dinar	0.2868	S. Kor. won	885.00	Venez. boliv.	19.75
Egypt. pound	1.36	Malay. ring.	2.587				

£ Sterling: 1.0977 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

U.S. Tries to Ease ASEAN Complaints on Summit

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — A special U.S. envoy has made an unscheduled stopover in Indonesia to try to ease complaints by ministers of two Southeast Asian countries that the interests of developing countries were largely ignored at last week's Tokyo summit meeting.

Allen Wallis, the undersecretary of state for economic affairs, was on his way to Australia from Singapore after attending the summit meeting, but changed his route to visit Indonesia on Saturday on the advice of the U.S. ambassador, Paul Wolfowitz.

On Friday in Jakarta, Indonesia's foreign minister, Mochtar Kusumaatmadja, charged that the leaders of the seven major industrial democracies attending the summit paid attention only to their own economic growth and had not responded to the needs of the Third World.

In Kuala Lumpur, Prime Minister Mahathir bin Mohamad of Malaysia said in an interview that by shutting out the views of developing nations, the summit participants had a "lopsided" view of the international economy.

He urged that future summits include representatives of developing countries.

Mr. Mahathir, who chaired a Third World cooperation conference here last week attended by delegates from 22 countries, said he thought "this idea of an exclusive club for the developed countries in a world that must increasingly be more conscious of multilateralism is dangerous."

Both Indonesia and Malaysia have have extensive trade and investment links with the United States and other Western industrial democracies.

At a meeting in Bali on May 1 with Mr. Mochtar and other foreign ministers from the Association of South East Asian Nations, President Ronald Reagan promised to put to the Tokyo meeting a memorandum outlining ASEAN concerns about protectionism in industrial nations, low commodity prices affecting many developing countries and dwindling loans and investment in the Third World.

Apart from Indonesia, the other ASEAN members are Brunei, Malaysia, the Philippines, Singapore and Thailand.

After meeting Mr. Mochtar and other ministers in Jakarta on Saturday, Mr. Wallis denied the minister's complaint that participants in the summit meeting had only paid attention to their own economic interests.

He said the major concerns raised by ASEAN with President Reagan in Bali had been aired in Tokyo and were reflected in the final summit communiqué.

In a criticism of measures adopted by most ASEAN nations to protect their own domestic markets from foreign competition, Mr. Wallis said "countries in this part of the world would do well to learn the advantages of open markets."

Western diplomats and some officials of ASEAN governments say the Reagan administration has been irritated by ASEAN complaints about unfair treatment.

Washington has produced figures to show that developing countries get more generous access to the U.S. market than they do to those of Japan and the European Community.

But not all ASEAN members are displeased with the Tokyo summit. Singapore's Foreign Ministry, in a preliminary assessment of the meeting, released Thursday, said it had helped enhance confidence in the future of the world economy.

It said that ASEAN received more than the usual amount of attention at the summit meeting because Mr. Reagan had met ASEAN foreign ministers before he went to Tokyo.

[Negotiations on a free trade agreement between ASEAN and the United States have been put off but they would continue to explore the concept, both sides said after Mr. Wallis met ASEAN officials on Friday, Agence France-Presse reported from Singapore.]

The economic declaration of the summit meeting did not specifically mention ASEAN. But it said that the pursuit of policies evolved during the Tokyo meeting would generate "the possibility of increased financial flows to the developing countries, promote the transfer of technology, and improve access to the markets of industrialized countries."

However both Malaysia and Indonesia, which have been hit hard by falling oil, tin, rubber, palm oil and other commodity prices, disagree.

Mr. Mahathir and Mr. Mochtar said the theory that the benefits of economic growth in the industrial countries would spread to developing nations no longer applied.

Referring to the huge windfall savings for the West from the fall in commodity prices, the Malaysian leader said the small group of industrial powers, the so-called North, was gaining further wealth at the expense of the more than 120 poorer countries in the South.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Apollo Comp.	16	16¼
Mr Gasket	8⅝	8½
Bitter Corp.	4⅛	4¾
Moduloire	12	12¾
Rodime	10⅝	11⅛

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

NOTICE OF REDEMPTION TO HOLDERS OF

Dynalectron International Finance N.V.

U.S. $15,000,000
9½% Convertible Subordinated Guaranteed Debentures
Due 1995

Notice is hereby given that Dynalectron International Finance N.V. has elected to redeem all of its outstanding 9½% Convertible Subordinated Guaranteed Debentures due 1995 (the "Debentures") on June 6, 1986, at the Redemption Price of 103% of their principal amount.

On June 6, 1986, the Redemption Price will become due and payable upon all Debentures, and interest thereon shall cease to accrue on and after said date. All Debentures, together with all coupons appertaining thereto maturing after May 15, 1986, are to be surrendered for payment of the Redemption Price at the Corporate Trust Office of Bankers Trust Company in the Borough of Manhattan, The City of New York, or at the main offices of any one of 1) Bankers Trust Company in London, 2) Bankers Trust Company in Paris, 3) Bankers Trust GmbH in Frankfurt am Main, 4) Banque Internationale a Luxembourg, SA, 5) Banque du Benelux S.A. in Brusells, 6) Banque Indosuez Luxembourg and 7) Bankers Trust A.G. Zurich.

The Debentures are convertible into whole shares of Common Stock, par value of $12.22 per share ("Common Stock") of Dynalectron Corporation through the close of business on June 6, 1986 at any of the above offices. Each $1,000 of Debentures is convertible into 81.833 shares of Common Stock. Based on the closing price of the Common Stock on April 30, 1986, of $16.625, each $1,000 of Debentures would convert into $1,360.47 worth of Common Stock. Holders of Debentures who do not wish to convert their Debentures into Common Stock will receive accrued interest through and including the June 6, 1986 redemption date.

Dynalectron International Finance N.V.
By: Bankers Trust Company
as Trustee

May 7, 1986

International Bond Prices

(Continued)

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 40	Norges Hypotekforen	6	'89 Nov	100¾	5.79	5.66	5.96
nd 220	Norges Kommunalbank	8¼	'87 Mar	102¼	5.81	5.81	8.56
dm 150	Norges Kommunalbank	6¼	'89 Jan	100⅞	5.87	5.71	6.20
dm 100	Norges Kommunalbank	7	'89 Apr	100⅝	6.65	6.52	6.94
dm 100	Norges Kommunalbank Pp	7¾	'89 Aug	101	7.01	6.77	7.29
dm 200	Norges Kommunalbank	6	'89 Dec	100¼	5.91	5.86	5.99
dm 100	Norges Kommunalbank	6	'90 Aug	100⅛	5.92	5.87	5.99
dm 150	Norges Kommunalbank	7¾	'91 Jul	102⅞	7.17	6.76	7.57
dm 150	Norges Kommunalbank	8¼	'94 Dec	103½	7.67	7.33	7.97
dm 200	Norpipe	6	'90 Nov	100⅛	5.95	5.92	5.99
dm 150	Norsk Gas	7¾	'88 Dec	100⅝	6.84	6.61	7.19
dm 100	Norsk Gas	7	'89 Jul	101	6.63	6.46	6.93
dm 150	Norsk Hydro	6¾	'89 Jan	101½	6.19	5.80	6.65
dm 100	Norsk Hydro	8½	'92 Jun	105	7.44	7.13	8.10
dm 100	Norsk Hydro	9	'92 Sep	106¾	7.69	7.24	8.43
dm 80	Oslo City	7½	'87 Jan	101⅛	1.68	1.72	7.23
dm 70	Oslo City	9	'87 Mar	102⅝	4.67	4.67	8.71
dm 80	Oslo City	8¼	'90 Mar	104⅛	7.27	6.58	8.35
dm 90	Oslo City	6¾	'90 Jul	101⅝	6.53	6.37	6.70
dm 100	Oslo City	7¾	'93 Mar	104¼	6.49	6.19	7.26
dm 150	Statoil Den Norske	6	'88 Sep	101	5.51	5.24	5.94
dm 150	Statoil Den Norske	6½	'89 Mar	100⅜	6.19	6.08	6.45
dm 35	Trondheim City	5¾	'88 Apr	100¾	6.53	5.44	5.73

PORTUGAL

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Portugal	7¾	'92 May	105	6.71		7.38
dm 250	Portugal	7	'93 Sep	101	6.81		6.93

SOUTH AFRICA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 200	South Africa	8½	'91 Dec	102	8.03		8.33
dm 250	South Africa	7¾	'92 Dec	97	8.34		7.99
dm 100	Escom Electr Supply	6¼	'87 Sep	100	6.22	6.21	6.25
dm 100	Escom Electr Supply	9¼	'87 Nov	102	7.71		9.07
dm 100	Escom Electr Supply	7	'88 May	102½	5.63	5.17	6.83
dm 150	Escom Electr Supply	8½	'90 Apr	102¼	7.65		8.27
dm 100	Escom Electr Supply	9¾	'90 Jun	105	8.01		9.05
dm 100	Escom Electr Supply	8	'92 Apr	102	7.56		7.84
dm 150	Escom Electr Supply	8¼	'92 Sep	102½	7.72		8.05
dm 100	Escom Electr Supply	8¼	'93 Apr	99	8.44		8.33
dm 100	Iscor Iron Steel	7	'87 Apr	101½	5.24	5.23	6.90
dm 100	Iscor Iron Steel	7	'88 Mar	100	6.98	6.96	7.00
dm 100	Iscor Iron Steel	7	'88 Mar	100⅝	7.53		8.71
dm 100	Iscor Iron Steel	8½	'89 Nov	102½	7.33	6.63	8.29
dm 80	Johannesburg City	8	'88 Sep	100⅝	6.99	6.99	7.98
dm 50	Johannesburg City	10	'88 Oct	101¼	4.56		9.88
dm 100	Johannesburg City	6¼	'87 Sep	100	6.22	6.21	6.25
dm 100	Post Telecom Pretoria	7¾	'90 Jul	100	7.74		7.75
dm 100	Post Telecom Pretoria	9	'90 Oct	105¼	7.53		8.55
dm 150	Post Telecom Pretoria	8¾	'91 Jun	100⅝	8.27		8.34
dm 100	Post Telecom Pretoria	8	'93 Jul	100¼	7.94		7.98
dm 100	South Africa Railways	7½	'88 Jun	101¼	6.82	6.26	7.41
dm 100	South Africa Transpor	7¾	'92 Nov	97¾	8.17		7.84
dm 150	South Africa Transpor	8	'93 Jun	98¾	8.23		8.10

SOUTH AMERICA

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 150	Argentina	7½	'89 May	101¾	6.83	6.58	7.37
dm 150	Brazil	7¼	'87 Jan	100⅞	6.17		7.20
dm 150	Brazil	8	'87 Aug	101¾	6.44		7.86
dm 100	Brazil	6¾	'87 Oct	100½	6.32	6.22	4.72
dm 150	Brazil	9¼	'88 Jun	104½	6.83		8.85
dm 250	Venezuela	6	'88 Mar	98½	6.89	7.11	6.09
dm 150	Venezuela	6½	'89 Nov	99	6.75	6.88	6.57
dm 150	Venezuela	9¾	'90 Nov	105	8.34	7.74	9.29
dm 100	Bndo (brazil)	8½	'87 Apr	106¾	1.21	1.19	7.98
dm 150	Comp Energ Sao Paulo	7	'87 Nov	100⅞	6.33	6.11	6.94
dm 100	Eletrobras	7	'87 Feb	100¼	5.87		6.95
dm 150	Eletrobras	7	'87 Sep	103	4.58	3.21	6.80
dm 125	Light-Services Brazil	8½	'90 Jan	103	7.52	6.96	8.25
dm 100	Petrobras	7	'88 Oct	100⅝	6.74	6.57	6.97
dm 125	Petrobras	8	'89 Oct	101	7.63	7.40	7.92

SPAIN

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 200	Spain	6	'88 May	101¾	5.05		5.90
dm 200	Spain	8¼	'92 Aug	108⅝	6.47		7.58
dm 200	Spain	7¾	'95 May	105¾	6.41		7.85
dm 100	Aumar	7½	'88 Feb	103½	5.31	4.51	7.25
dm 100	Autopistas	8	'86 Oct	101¾	3.47	3.44	7.86
dm 100	Autopistas	6¾	'87 Oct	102	5.20	4.42	6.62
dm 100	Eurosistas	8	'87 Jan	102	4.75	4.74	7.84
dm 100	Fenosa	7¾	'92 Jan	104⅞	6.80		7.51
dm 100	Renfe Red Nacional	8¼	'91 May	107¼	6.40		7.66
dm 100	Renfe Red Nacional	10	'92 May	116½	6.59		8.58
dm 100	Renfe Red Nacional	7¾	'95 May	105	6.98		7.38
dm 100	Telefonica Nacional	8¼	'93 Jun	107¼	6.93		7.69

SUPRANATIONAL

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	African Develop Bank	8	'87 Nov	101	7.22		7.92
dm 100	African Develop Bank	10	'89 Oct	111	6.38		9.01
dm 100	African Develop Bank	8	'91 Apr	106⅛	6.51		7.54
dm 100	Asian Develop Bank	5½	'88 May	100⅛	5.30		5.48
dm 100	Asian Develop Bank	7½	'89 Aug	101⅞	6.57		7.12
dm 100	Asian Develop Bank	10½	'89 Oct	112	6.40		9.51
dm 200	Asian Develop Bank	10	'90 May	109⅝	5.83		9.37
dm 100	Asian Develop Bank	8¾	'90 Nov	109⅝	6.99		7.97
dm 200	Asian Develop Bank	7¾	'91 Mar	108	5.81		7.18
dm 100	Asian Develop Bank	10	'91 Apr	107¾	8.02		9.28
dm 100	Asian Develop Bank Pp	7½	'91 Oct	108	6.80		7.28
dm 150	Asian Develop Bank	9¼	'92 Apr	113½	6.44		8.15
dm 150	Asian Develop Bank	9¼	'92 Aug	114	6.45		8.11
dm 150	Asian Develop Bank	8¼	'92 Nov	108	6.46		7.55
dm 100	Asian Develop Bank Pp	8¼	'93 Jan	108⅜	6.74		7.62
dm 200	Asian Develop Bank	8½	'93 Nov	111	6.58		7.66
dm 200	Asian Develop Bank	7¾	'94 Apr	108	6.71		7.13
dm 200	Asian Develop Bank	8	'94 Sep	110	6.41		7.27
dm 200	Asian Develop Bank	6½	'95 Oct	103	6.21		6.37
dm 200	Asian Develop Bank	6½	'96 Mar	105¼	6.21		6.18
dm 200	Asian Develop Bank	7¾	'97 Apr	105¼	6.42		7.03
dm 100	Council Of Europe	6¼	'87 Nov	100⅞	5.59	5.52	6.20
dm 100	Council Of Europe	6¾	'88 May	101¼	5.19	4.83	6.68
dm 60	Council Of Europe	7	'88 Jul	101¼	6.35	5.82	6.91
dm 50	Council Of Europe	7¾	'88 Oct	105¼	5.22		7.40
dm 130	Council Of Europe	6¼	'88 Nov	102¼	5.03	4.28	6.08
dm 100	Council Of Europe	7¼	'89 May	102½	6.30	5.87	7.07
dm 125	Council Of Europe	7¾	'89 Oct	101½	6.97	6.62	7.39
dm 100	Council Of Europe	10	'91 Apr	107¼	8.15	7.17	9.32
dm 200	Council Of Europe	10¼	'91 Oct	108¾	8.17	7.26	9.43
dm 150	Council Of Europe	10	'92 Feb	110½	7.67	6.74	9.05
dm 100	Council Of Europe	8¼	'92 Jun	105	7.09	7.29	8.33
dm 100	Council Of Europe	8	'92 Jul	105¾	6.82		7.57
dm 125	Council Of Europe	8¼	'92 Nov	106	7.51	7.20	8.00
dm 160	Council Of Europe	7¾	'93 Feb	104¼	6.96	6.67	7.52
dm 150	Council Of Europe	7¾	'93 Jul	105¾	7.27	7.08	7.95
dm 150	Council Of Europe	8¼	'93 Nov	105¾	7.20	7.05	7.84
dm 150	Council Of Europe	8¼	'94 Feb	106	7.21	7.10	7.78
dm 200	Council Of Europe	7½	'94 Dec	104	6.86	6.77	7.21
dm 150	Council Of Europe	7½	'95 May	105¾	6.71	6.58	7.13
dm 150	Council Of Europe	6¾	'95 Oct	103¾	6.29	6.26	6.48
dm 125	Ecs Euro Coal & Steel	9¼	'87 Jan	103⅛	4.26		9.41
dm 100	Ecs Euro Coal & Steel	6½	'87 Jul	101	5.56	4.84	6.44
dm 150	Ecs Euro Coal & Steel	7	'88 Jan	101¾	5.83	5.38	6.88
dm 150	Ecs Euro Coal & Steel	6¾	'88 Apr	101⅝	5.50	5.14	6.59
dm 150	Ecs Euro Coal & Steel	6	'88 Nov	100⅞	5.70		5.96
dm 150	Ecs Euro Coal & Steel	9½	'88 Dec	107	6.56	8.03	8.31
dm 150	Ecs Euro Coal & Steel	7¾	'90 Jan	101½	7.37		7.76
dm 150	Ecs Euro Coal & Steel	5¾	'90 Apr	99⅞	5.95	5.41	5.77
dm 160	Ecs Euro Coal & Steel	8	'90 Aug	106½	5.68		7.37
dm 120	Ecs Euro Coal & Steel	10	'91 Mar	108½	8.30	7.34	9.39
dm 150	Ecs Euro Coal & Steel	7	'91 Apr	101	6.75	6.64	6.93
dm 100	Ecs Euro Coal & Sl Pp	8½	'92 Jan	106½	6.76	6.49	7.63
dm 150	Ecs Euro Coal & Steel	7¾	'92 Sep	101¼	7.61	7.41	7.78
dm 100	Ecs Euro Coal & Steel	7	'92 Dec	104¼	6.37		6.78
dm 150	Ecs Euro Coal & Steel	7½	'93 Jan	105⅛	6.41	6.14	7.09
dm 200	Ecs Euro Coal & Steel	7¾	'93 May	105¾	6.50		7.11
dm 60	Ecs Euro Coal & Steel	9¼	'94 Jan	107½	8.04	7.85	8.90
dm 250	Ecs Euro Coal & Steel	8	'94 Nov	104½	7.26	7.09	7.66
dm 220	Ecs Euro Coal & Steel	7	'95 Jul	104½	6.33	6.20	6.70
dm 100	Ecs Euro Coal & Steel	6¾	'97 Dec	104¼	6.34	6.29	6.57
dm 200	Eec Europ Econom Com	8	'92 Jan	107⅞	6.86		7.23
dm 250	Eec Europ Econom Com	8¼	'93 Jun	109½	6.70		7.60
dm 100	Eec Europ Econom Com	10¼	'90 Oct	109⅝	8.38	7.16	9.22
dm 200	Eec Europ Econom Com	9¼	'94 Apr	109½	8.06	7.75	8.50
dm 225	Eec Europ Econom Com	7¾	'94 Nov	102¼	7.43	7.32	7.66
dm 200	Eec Europ Econom Com	8	'94 Nov	104¾	7.30	6.86	7.67
dm 200	Eec Europ Econom Com	7¾	'95 Feb	103½	7.19	6.86	7.49
dm 100	Eec Europ Econom Com	7½	'96 Nov	107¼	6.52		6.99
dm 150	Eec Europ Econom Com	6½	'97 Sep	103¼	5.89		6.30
dm 100	Eib Europ Invest Bank	7¼	'86 Oct	101	5.06	5.04	7.67
dm 100	Eib Europ Invest Bank	6½	'87 Mar	101	5.19	5.17	6.44
dm 100	Eib Europ Invest Bank	6	'87 Sep	100½	5.57	5.33	5.97
dm 100	Eib Europ Invest Bank	6¾	'88 Feb	105¼	3.64	2.78	6.42
dm 100	Eib Europ Invest Bank	7	'88 Jul	101½	6.22	5.73	6.90
dm 150	Eib Europ Invest Bank	10	'89 Feb	111	5.54		9.01
dm 200	Eib Europ Invest Bank	7½	'89 Jun	102½	6.57		7.32
dm 150	Eib Europ Invest Bank	6	'89 Aug	100⅝	5.73	5.52	5.96
dm 100	Eib Europ Invest Bank	8½	'89 Nov	103¼	7.33		8.19
dm 250	Eib Europ Invest Bank	5¼	'90 Mar	100⅞	5.13	5.06	5.22
dm 300	Eib Europ Invest Bank	6	'90 Oct	100⅝	5.70		5.96
dm 100	Eib Europ Invest Bank	8½	'90 Oct	105½	7.03		8.06
dm 250	Eib Europ Invest Bank	9¾	'90 Dec	108⅝	7.93		8.98
dm 100	Eib Europ Invest Bank	6½	'91 Jan	102⅝	5.89		6.35
dm 200	Eib Europ Invest Bank	10½	'91 Apr	110½	7.83		9.50
dm 200	Eib Europ Invest Bank	10½	'91 Aug	111¼	7.74		9.42
dm 200	Eib Europ Invest Bank	10¼	'91 Nov	111¼	7.53		9.10
dm 100	Eib Europ Invest Bank	8	'91 Dec	108⅝	6.19		7.39
dm 200	Eib Europ Invest Bank	10	'92 Feb	110¾	7.60		9.03
dm 200	Eib Europ Invest Bank	8¾	'92 May	107⅝	6.76		7.77
dm 200	Eib Europ Invest Bank	9¾	'92 Aug	110¼	7.29		8.51
dm 200	Eib Europ Invest Bank	8¼	'92 Oct	106¾	6.89		7.65
dm 200	Eib Europ Invest Bank	8¼	'92 Dec	107⅝	6.78		7.67
dm 200	Eib Europ Invest Bank	7½	'93 Feb	105¼	5.94		6.91
dm 200	Eib Europ Invest Bank	7¾	'93 Mar	105¾	6.40		7.26
dm 200	Eib Europ Invest Bank	7¾	'93 May	106	6.41		7.08
dm 200	Eib Europ Invest Bank	8	'93 Aug	108¼	6.53		7.39
dm 200	Eib Europ Invest Bank	8¼	'93 Sep	108½	6.69		7.50
dm 200	Eib Europ Invest Bank	8	'94 Mar	105¾	6.57		7.37
dm 250	Eib Europ Invest Bank	8	'94 Jun	108½	6.60		7.37
dm 200	Eib Europ Invest Bank	8¼	'94 Aug	108¾	6.90		7.62
dm 200	Eib Europ Invest Bank	7¾	'94 Oct	107¾	6.63		7.31
dm 300	Eib Europ Invest Bank	7¾	'94 Dec	104¾	6.48		6.91
dm 300	Eib Europ Invest Bank	6¾	'95 Nov	105½	5.95		6.46
dm 300	Eib Europ Invest Bank	6¾	'96 Feb	104	5.82		6.13
dm 300	Eib Europ Invest Bank	5¾	'96 Feb	99½	5.82		5.71
dm 300	Eib Europ Invest Bank	6¼	'96 Mar	101⅝	6.19		6.75
dm 300	Eib Europ Invest Bank	6¾	'97 Aug	104¼	6.16		6.45
dm 200	Eib Europ Invest Bank	5½	'98 Apr	97½	5.79		5.64
dm 150	Eib Europ Invest Bank	5¾	'16 May	98½	5.84		5.84
dm 200	Eurotom	5¾	'87 Nov	100½	5.36		5.72
dm 150	Eurotom	7¾	'93 Apr	104¾	6.57		7.87
dm 50	Eurofima	6¼	'87 Sep	100⅞	5.41	5.27	6.20
dm 100	Eurofima	5¾	'88 Feb	100	5.33	5.27	5.40
dm 50	Eurofima	6½	'88 Mar	101¼	5.45	5.08	6.39
dm 50	Eurofima Pp	5¾	'88 Nov	100	5.37	5.38	5.49
dm 100	Eurofima	6½	'89 Feb	101½	5.83	5.48	6.40
dm 100	Eurofima	7½	'90 Jul	106¾	5.64		7.03
dm 100	Eurofima	8¼	'90 Oct	109	5.74		7.45
dm 100	Eurofima	7½	'91 Mar	106⅝	5.93		7.05
dm 100	Eurofima	10¼	'91 Nov	112	7.48		9.15
dm 100	Eurofima	9	'92 Apr	108¾	7.24		8.31
dm 100	Eurofima	7¾	'92 Jul	106	6.53		7.31
dm 100	Eurofima	7¾	'94 Mar	105¾	6.65		7.21
dm 150	Eurofima	6¾	'97 Sep	102¾	6.83		6.20
dm 100	International Fin Pp	6¾	'92 Nov	102¾	6.14		6.46
dm 200	International Fin Pp	5¾	'96 Apr	97½	6.22		6.03
dm 100	Inter-American Dev Bk	7	'87 Jan	101¼	4.95		6.91
dm 100	Inter-American Dev Bk	6¼	'88 Jan	100⅞	5.82		6.21
dm 150	Inter-American Dev Bk	8	'88 Feb	101⅞	6.86		7.86
dm 50	Inter-American Dev Pp	8	'89 Jul	107½	5.37		7.44
dm 150	Inter-American Dev Bk	8¾	'89 Jul	110¼	5.34		8.08
dm 150	Inter-American Dev Bk	7¾	'91 Feb	107¼	6.12		7.29
dm 150	Inter-American Dev Bk	10	'91 Mar	113¼	6.62		8.81
dm 200	Inter-American Dev Bk	7¾	'91 Apr	107	5.88		7.19
dm 100	Inter-American Dev Bk	10¼	'91 Nov	115¼	6.88		8.89
dm 150	Inter-American Dev Bk	9	'92 Apr	112	6.58		8.04
dm 200	Inter-American Dev Bk	8¼	'92 Jul	108¾	6.29		7.55
dm 150	Inter-American Dev Bk	7¾	'92 Nov	105¼	6.71		7.14
dm 100	Inter-American Dev Bk	7¾	'92 Nov	104¾	6.18		6.79
dm 150	Inter-American Dev Bk	8¼	'93 Jan	109	6.53		7.57
dm 250	Inter-American Dev Bk	8	'93 Mar	108⅝	6.49		7.49
dm 200	Inter-American Dev Bk	7¾	'93 Apr	107¼	6.41		7.23
dm 150	Inter-American Dev Bk	8¼	'93 Aug	110¼	6.43		7.36
dm 150	Inter-American Dev Bk	8¼	'93 Dec	106¾	6.56		7.52
dm 200	Inter-American Dev Bk	7¾	'94 Dec	106⅛	6.45		7.03
dm 250	Inter-American Dev Bk	7¾	'95 Jul	106⅛	6.29		6.81
dm 250	Inter-American Dev Pp	7¾	'95 Dec	105⅞	6.16		6.75
dm 250	Inter-American Dev Bk	6	'11 Apr	98½	6.16		6.09
dm 250	World Bank	7¾	'86 Jun	101	3.30	3.33	7.44
dm 250	World Bank	7½	'86 Dec	101	5.58	5.58	7.43
dm 250	World Bank	7	'87 Jan	101¼	4.75		6.91
dm 250	World Bank	6¾	'87 Mar	102¼	3.27	3.28	6.57
dm 400	World Bank	6½	'87 May	101½	4.90		6.40
dm 250	World Bank	6¼	'88 May	101¼	5.76	5.53	6.20
dm 150	World Bank Pp	8½	'88 Jun	101¾	5.73		8.88
dm 200	World Bank	6	'88 Aug	101⅝	5.08		5.89
dm 200	World Bank Pp	7¾	'88 Aug	105	5.30		7.38
dm 200	World Bank	6¾	'88 Dec	104½	3.12		6.89
dm 100	World Bank Pp	7¾	'89 Feb	105	5.73		7.38
dm 200	World Bank	7¾	'89 Sep	106⅛	5.54		7.37
dm 250	World Bank	7¾	'90 Jan	106¾	5.82		7.27
dm 500	World Bank	5¾	'90 Feb	100⅜	4.78	5.47	5.74
dm 200	World Bank Pp	7½	'90 Apr	105	6.02		7.14
dm 200	World Bank	10	'90 May	112⅝	6.33		8.83
dm 250	World Bank	7½	'90 Jun	108⅛	5.30		6.94
dm 700	World Bank	8	'90 Aug	108¼	5.74		7.39
dm 300	World Bank	7¾	'90 Oct	110⅝	4.95		6.91
dm 100	World Bank Pp	8½	'90 Oct	110	5.86		7.73
dm 250	World Bank	9¾	'91 Jan	111¾	6.25		8.58
dm 250	World Bank Pp	6	'91 Mar	102	5.51		5.88
dm 200	World Bank Pp	7¾	'91 Jun	102¾	6.47		6.83
dm 400	World Bank	7¾	'91 Jul	109⅝	5.57		7.08
dm 100	World Bank Pp	11	'91 Sep	119	6.63		9.24
dm 200	World Bank Pp	7¾	'91 Dec	103½	6.59		7.32
dm 250	World Bank	10	'91 Dec	116¼	6.42		8.60
dm 200	World Bank Pp	6¾	'92 Feb	101⅞	6.85		6.38
dm 300	World Bank	7¾	'92 Apr	109	5.91		7.11
dm 200	World Bank Pp	7¾	'92 Apr	106	6.82		6.84
dm 200	World Bank	8½	'92 May	111⅛	6.12		7.61
dm 300	World Bank	8¼	'92 Jul	110	6.12		7.39
dm 200	World Bank	9¾	'92 Aug	116	6.31		8.19
dm 200	World Bank	9	'92 Sep	113⅞	6.31		7.92
dm 200	World Bank Pp	6¾	'92 Sep	101½	6.07		6.38
dm 250	World Bank Pp	6¾	'92 Nov	101½	6.45		6.65
dm 200	World Bank	8¼	'93 Dec	110½	5.56		7.03
dm 200	World Bank	7¾	'93 Feb	108¼	5.52		6.70
dm 300	World Bank	8	'93 Dec	110	6.50		7.27
dm 200	World Bank	8	'94 Feb	110⅝	6.21		7.26
dm 300	World Bank	8¼	'94 Sep	111⅛	6.26		7.27
dm 400	World Bank	7¾	'94 Nov	110⅝	6.02		6.91
dm 500	World Bank	7¾	'95 Jan	107⅝	6.84		6.65
dm 500	World Bank	7¾	'95 Feb	108	6.84		6.71
dm 300	World Bank	7¾	'95 Apr	118¼	6.16		7.01
dm 300	World Bank	7	'95 Aug	106¾	6.02		6.56
dm 600	World Bank	6½	'95 Oct	104¼	5.89		6.24
dm 300	World Bank	5¾	'96 Mar	99¼	5.85		5.79
dm 300	World Bank	6¼	'16 Mar	104¼	5.84		6.00

SWEDEN

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 75	Sweden	9¾	'88 Mar	104⅞	7.12		9.34
dm 200	Sweden	7¾	'89 Jul	101¼	7.28		7.65
dm 100	Sweden Pp	7¾	'89 Aug	101½	6.95		7.43
dm 200	Sweden	6	'89 Dec	100⅞	5.71	5.60	5.95
dm 150	Sweden	8¼	'89 Dec	104¼	6.78		7.91
dm 200	Sweden	7¾	'90 Sep	102⅝	7.17		7.55
dm 125	Sweden	9¾	'92 Mar	108⅛	8.33		9.15
dm 250	Sweden	7¾	'94 May	106¾	6.73		7.27
dm 300	Sweden	7¼	'95 Feb	104⅝	6.59		6.93
dm 300	Sweden	6¾	'98 Mar	101	6.00		6.06
dm 100	Ericsson Lm	6¾	'87 Mar	101¼	4.65	4.66	6.64
dm 100	Forsmarks Kraftgrupp	5¾	'90 Jan	100⅞	5.59	5.49	5.72
dm 100	Pkbanken Post-Och	5¾	'86 May	101	5.21	5.01	5.69
dm 100	Pkbanken Post-Och	5¾	'96 Apr	95¼	6.41		6.06
dm 75	Saab-Scania	7¾	'86 Jun	101¼	12.46	13.31	7.63
dm 100	Skl A/b	7¾	'89 May	104½	5.56		7.42
dm 100	Sveriges Invest Bank	6¾	'87 Mar	100	6.71	6.71	6.75
dm 100	Sveriges Invest Bank	7	'88 Mar	105¼	3.66	2.58	6.62
dm 100	Swedish Export Credit	9¾	'87 Sep	105¼	4.96		9.26
dm 100	Swedish Export Credit	10¾	'91 Nov	118¼	7.86	7.38	9.30

SWITZERLAND

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 100	Asia Resources Lj W/w	4½	'95 Nov	116	2.55		3.88
dm 100	Credit Suisse Pan X/w	4	'90 Jul	96¾	4.86		4.13
dm 100	Credit Suisse Pan W/w	4	'90 Jul	134¾	3.47		2.97
dm 150	Credit Suisse Pan W/w	2¾	'95 Dec	104	2.16		2.52
dm 150	Credit Suisse Pan X/w	2¾	'95 Dec	77¾	5.69		3.38
dm 75	Moevenpick Fin Lj X/w	3	'92 Nov	87	5.40		3.45
dm 75	Moevenpick Fin Lj W/w	3	'92 Nov	124	.08		2.42
dm 100	Pirelli Deutschld W/w	3	'93 Feb	126½	.01		2.37
dm 100	Pirelli Deutschld X/w	3	'93 Feb	84¾	5.80		3.54
dm 100	Swiss Bank Corp O/s	7¾	'90 Jul	103¾	6.88		6.87
dm 200	Swiss Bank Corp W/w	2¾	'94 Dec	170	3.67		1.84
dm 200	Swiss Bank Corp W/w	2¾	'96 Feb	108½	1.79		2.53
dm 200	Swiss Bank Corp X/w	2¾	'96 Feb	77⅝	5.84		3.55

UNITED KINGDOM

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 125	Allied Chemical O/s	7½	'94 Feb	107½	6.34		6.98
dm 250	Barclays O/s Invest	8¼	'98 Dec	108	7.33	7.82	7.52
dm 80	Bass Continental Fin	8¼	'92 Oct	103¼	7.46	7.36	7.87
dm 125	Beecham Financiering	8¼	'92 Oct	104½	7.21		7.78
dm 200	Beecham Group	7¾	'94 Nov	104¼	6.67		7.07
dm 150	Btr Finance	7¾	'94 Dec	103¼	6.87		7.15
dm 100	Courtaulds Intl Fin	6¾	'87 Jul	108⅝	6.36	6.27	6.49
dm 100	Guest Keen Nettlefold	8¾	'89 Nov	104⅝	6.90		8.02
dm 100	Heron Internat Financ	7¼	'95 Dec	101	7.09		7.18
dm 100	Lonrho Finance	8	'91 Nov	103⅝	7.13		7.71
dm 100	Metropol Estate	7¾	'92 Feb	104	6.63		7.21
dm 100	Midland Intl Finance	8½	'90 Oct	102⅝	7.76		8.28
dm 125	Natl Westminster Fin	11	'91 Oct	119¾	6.68		9.21
dm 100	Natl Westminster Fin	7¾	'92 Jan	115	6.68		6.83
dm 75	Rank Xerox Finance	7¾	'93 Apr	105	6.57		7.14
dm 100	Reed International	7¼	'88 Jan	101	6.56	6.30	7.18
dm 100	South Scotland Electr	7	'88 Feb	101½	6.84	5.69	6.90
dm 125	Standard Chartered Bk	6½	'88 Jan	101	5.83		6.44
dm 100	Trafalgar House Fin	6¾	'87 Oct	100¾	5.39	5.60	6.45

U.S.A.

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 70	American Express Intl	5½	'87 Jan	100⅛	5.27		5.49
dm 100	Avon Intl Finance	7½	'93 Feb	105½	6.46		7.11
dm 150	Bankamerica O/s	5¾	'90 Nov	100⅛	5.68		5.74
dm 130	Beatrice Foods O/s	7¾	'93 Sep	103⅝	7.07		7.47
dm 100	Beneficial O/s Financ	9½	'89 May	110	5.76		8.64
dm 100	Black & Decker Financ	9¾	'89 Sep	102½	8.21		8.90
dm 100	Chase Manhattan O/s	6	'93 Sep	99	6.17	6.29	6.06
dm 200	Chrysler Financial Pp	7¼	'90 Apr	103¾	6.23		7.08
dm 250	Chrysler Financial Co	6¾	'96 Mar	99¾	6.78		6.77
dm 125	Cll-Honeywell Bull	8¾	'90 Apr	102¼	7.72		8.19
dm 150	Citicorp O/s Finance	8	'92 Jun	108	6.87		7.41
dm 200	Corn Products Cpc	6¾	'91 Jan	101	6.44		6.41
dm 200	Dow Chemical Co	6¾	'95 Oct	104⅝	6.09		6.45
dm 200	Dow Chemical Co	5¾	'96 May	96¼	6.14		5.94
dm 175	Emhart Corp	6¾	'95 Oct	102⅝	6.32		6.56
dm 100	First Inter Bancorp	5¾	'96 May	95¼	6.36		6.03
dm 75	Ford Credit O/s Fin	7¾	'89 Jul	103	6.54		7.48
dm 200	Ford Motor Credit Co	7	'95 Nov	102½	6.49		6.76
dm 100	Gmac O/s Finance	8¼	'87 Oct	104	5.22		7.93
dm 75	Gould Intl Finance	8¼	'89 Dec	102	7.57		8.09
dm 100	Gould Intl Finance	7¾	'91 Nov	104	6.66		7.21
dm 100	Intl Standard Electri	7¾	'90 Dec	105¼	6.05		7.23
dm 100	Intl Standard Electri	7¾	'93 Aug	105⅝	6.85		7.37
dm 100	Intl Standard Electri	7¾	'94 May	105¾	6.57		7.30
dm 100	Itt Antilles	9¼	'92 Aug	107¾	7.67		8.58
dm 200	Itt Antilles	7	'93 Jan	103	6.41		6.80
dm 100	Itt Corporation	7	'90 Jan	103½	5.91		6.76
dm 100	Mcdonalds Finance Co	8¼	'92 Oct	110¼	6.41		7.26
dm 100	Mcdonalds Finance Co	7½	'92 Dec	108⅝	6.47		6.89
dm 100	Mcdonalds Finance Co	7¾	'94 Jul	104¾	7.00		7.42
dm 150	Occidental Intl Finan	6¾	'90 Dec	100	6.74	6.73	6.75
dm 120	Owens-Corning Fiberol	7¼	'00 Dec	104½	6.75		6.94
dm 250	Pepsico O/s Finance	7¾	'94 Feb	104¼	6.53		6.95
dm 225	Philip Morris Co Inc	6	'96 Mar	99¾	6.03		6.02
dm 150	Philip Morris Intl Co	9½	'89 Feb	103½	8.00		9.18
dm 100	Philip Morris Intl Co	8¼	'90 Mar	105¼	7.21		7.97
dm 100	Philip Morris Intl Co	7¾	'90 Dec	104¼	6.28		7.15
dm 175	Pillsbury Co	6¾	'92 Dec	102¼	6.10		6.45
dm 265	Reynolds RJ Industrie	6¾	'00 Nov	101½	6.70		6.77
dm 125	Reynolds RJ O/s	7¾	'94 Jan	105	6.52		7.02
dm 150	Sperry Curacao	8	'94 Jul	104½	7.25		7.66
dm 250	Sterling-Winthrop Pro	7¼	'94 Mar	104¾	6.63		6.95
dm 100	Sun Intl Finance	7½	'88 Aug	100⅜	7.04	6.77	7.42
dm 250	Tenneco Corp	6¾	'95 Nov	100¾	6.29		6.66
dm 100	Tenneco Intl	9	'92 Jul	108¼	8.14		9.45
dm 300	United Technologies	7¼	'91 Oct	104	6.35		6.97
dm 100	United Technologies	7¾	'92 Dec	105¾	6.86		7.34
dm 50	Wells Fargo Intl W/w	6½	'88 Nov	210	21.84	25.82	3.10

EURO CURRENCY UNITS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
ecu 130	All Nippon Airways	9	'95 Apr	111¾	7.19		8.06
ecu 50	Austra New Zealand Bk	9¾	'92 Apr	110⅝	7.53		8.83
ecu 100	Austria	10¾	'93 Jan	117	7.21		9.18
ecu 50	Bank Mees & Hope	9	'92 Jul	108	7.33		8.33
ecu 40	Bank Of Tokyo Curacao	9¾	'90 Jun	106½	6.77		8.43
ecu 40	Bank Of Tokyo Curacao	10¾	'91 Feb	107	10.87		10.56
ecu 50	Bank Of Tokyo Curacao	10¾	'91 Nov	104¾	9.57		10.26
ecu 100	Banque Franc Com Ext	9¾	'92 Jun	115⅝	6.84		8.08
ecu 130	Banque Franc Com Ext	8¾	'93 Oct	106	7.38		8.29
ecu 100	Banque National Paris	7¾	'93 Aug	108½	7.85		7.09
ecu 75	Banque National Paris	8¾	'95 Apr	107¼	7.67		8.34
ecu 60	Bayerische Vereinsbk	8¾	'88 Nov	108¾	5.44		7.85
ecu 75	Caisse Nat Telecomm	9¼	'92 Apr	112¾	6.84		8.60
ecu 75	Caisse Nat Telecomm	9¾	'95 Apr	112½	7.72		8.78
ecu 50	Cargill Inc	8¾	'95 Nov	108⅝	7.52		8.17
ecu 60	Chrysler Financial Co	10	'91 Jun	110¾	7.47		9.05
ecu 40	Chrysler Financial Co	9	'92 Nov	105½	7.88		8.53
ecu 75	Chrysler Financial Co	10¾	'93 Apr	113¼	7.56		8.93
ecu 30	Chrysler Financial Co	8¾	'94 Mar	107¾	7.59		8.59
ecu 50	Club Mediterranee	9	'88 Oct	104¼	6.85		8.60
ecu 75	Colgate Palmolive Co	8	'91 Mar	103¼	7.08		7.72
ecu 50	Comp Machines Bull	9¾	'92 Nov	108⅜	7.38		8.29
ecu 40	Copenhagen City	9	'95 Dec	112¾	7.77		8.01
ecu 65	Credit Commerc France	9¼	'95 Sep	111¼	7.53		8.31
ecu 100	Credit Foncier France	11¾	'93 Feb	111	9.25		10.47
ecu 70	Credit Foncier France	11¾	'96 Aug	112¾	9.85		9.81
ecu 70	Credit National	10¾	'94 Dec	120¾	7.87		8.59
ecu 40	Creditanstalt-Bankver	9¼	'94 Dec	110½	7.81		8.37
ecu 75	Credito Italiano	9¾	'92 May	109¾	7.09		8.11
ecu 100	Denmark	10¾	'91 Mar	107¾	8.76		10.00
ecu 250	Denmark	7¾	'96 Apr	101	7.48		7.67
ecu 70	Dresdner Finance	9¼	'93 Oct	110½	7.34		8.36
ecu 40	Ecs Euro Coal & Steel	10¾	'89 Sep	110⅝	7.36		9.71
ecu 40	Ecs Euro Coal & Steel	11¾	'94 Sep	128¾	7.81		9.34
ecu 50	Eec Europ Econom Com	11¾	'90 Jul	108⅝	9.26		10.55
ecu 100	Eec Europ Econom Com	8¾	'95 Nov	108¼	7.21		8.12
ecu 50	Eec Europ Econom Com	11	'93 Jun	105	10.01	9.46	10.48
ecu 50	Eib Europ Invest Bank	10¾	'89 Jan	116¼	4.05		9.14
ecu 50	Eib Europ Invest Bank	10¾	'90 Oct	117	6.25		9.19
ecu 40	Eib Europ Invest Bank	8¾	'90 Dec	109⅞	6.11		7.85
ecu 75	Eib Europ Invest Bank	11¾	'92 Jan	118¾	8.15		9.77
ecu 60	Eib Europ Invest Bank	8¾	'92 Dec	108¾	6.84		7.76
ecu 40	Eib Europ Invest Bank	9¾	'93 Mar	112¾	6.95		7.92
ecu 130	Eib Europ Invest Bank	10¾	'94 Jan	116¾	7.29		8.72
ecu 125	Eib Europ Invest Bank	10¾	'94 Mar	116	7.81		9.16
ecu 150	Eib Europ Invest Bank	10¾	'95 Apr	115⅞	7.31		8.43
ecu 100	Electricite France	9	'97 Apr	113¾	7.42		8.17
ecu 30	Enso-Gutzeit	9	'91 Oct	104½	7.90		8.61
ecu 30	Enso-Gutzeit	9¾	'93 Oct	116½	8.12		8.66
ecu 30	Eurofima	11	'92 Jul	113¾	8.05		9.66
ecu 45	Ford Credit Canada	8¾	'93 Oct	109⅝	7.28		8.17
ecu 35	Girozentrale Wien	7	'93 Oct	99¾	7.14		7.06
ecu 50	Girozentrale Wien	10½	'92 Dec	116¾	7.57	7.44	9.02
ecu 150	Ibm World Trade	8¾	'90 Aug	110½	6.34		7.71
ecu 45	Industrial Bk Finland	9	'95 Oct	107¾	7.85	7.64	8.36
ecu 100	Inter-American Dev Bk	10	'93 Apr	116½	6.91		8.58
ecu 100	Ireland	7¾	'96 May	100	7.32		7.75
ecu 200	Italy	9¾	'90 Apr	108⅝	6.89		8.80
ecu 50	Kansallis-Osake-Pankk	9	'93 Sep	109⅝	7.31		8.51
ecu 75	Maxel Finance	10¾	'95 Apr	112¾	8.14		9.02
ecu 40	Mitsui Trust Fin (hk)	8¾	'93 Nov	108¾	7.42		8.21
ecu 50	Moet Hennessy	9	'91 Mar	108⅝	6.98		8.30
ecu 100	Morgan Guaranty Trust	8¾	'90 Sep	105¾	7.07		8.89
ecu 35	Motorola Inc	8¾	'92 Jul	106⅝	6.81		7.92
ecu 40	New South Wales Treas	9¾	'93 Mar	110	6.98		8.87
ecu 50	New Zealand	8¾	'90 Jun	106⅝	6.98		8.55
ecu 100	New Zealand	9	'92 Jun	108¾	7.65		8.28
ecu 75	Petrocorp O/s Finance	9	'93 Nov	105⅜	7.94		8.51
ecu 50	Peugeot	9	'93 Nov	106½	7.45		8.45
ecu 100	Philbro-Salomon	9¾	'96 Feb	106¾	7.68		9.26
ecu 75	Philips Intl Finance	9¾	'93 May	111¼	6.92		8.11
ecu 50	Primary Industry Bank	9¾	'92 Apr	110¾	7.51		8.83
ecu 75	Privatbanken	10	'92 May	108¾	8.19		9.20
ecu 75	Rabobank Nederland	9¾	'95 May	118¾	6.51		8.25
ecu 75	Rabobank Nederland	7¾	'96 May	100¼	7.18		7.33
ecu 40	Ras Auto Transp Paris	10½	'92 Apr	108¾	8.99	8.61	10.08
ecu 125	Reynolds RJ Industrie	10½	'91 Sep	106¾	7.34		8.11
ecu 85	Royal Bank Of Canada	10½	'89 Mar	105½	8.27		9.95
ecu 40	Sanwa Intl Finance Hk	9	'95 Aug	108⅝	7.64	7.53	8.28
ecu 100	Scandinavian Airlines	9	'95 Aug	109⅝	7.53		8.22
ecu 100	Sec Pacific Australia	8¾	'90 Jul	105¼	7.23		8.31
ecu 45	Sncf Nat Chemins Fer	11¼	'94 May	117¾	8.15		9.55
ecu 40	Sumitomo Corporation	9¾	'90 Oct	111¾	7.22		8.31
ecu 35	Sumitomo Finance Asia	9	'93 Nov	112	6.98		8.04
ecu 75	Union Bank Norway	9	'95 Sep	109¾	7.54		8.20
ecu 75	Victoria Public Autho	8¾	'90 Dec	106¾	7.15		8.23
ecu 82	Walt Disney Productio	8¾	'94 Feb	108⅝	7.07	6.90	7.97
ecu 50	Walt Disney Productio	9¾	'95 Mar	118¾	7.43	7.09	8.34
ecu 50	Westpac Banking Co	9¾	'92 Mar	110	7.68		8.75
ecu 125	World Bank	10¾	'89 Nov	108¾	7.19		9.88
ecu 50	World Bank	9¾	'92 Apr	108¾	7.25		8.48
ecu 125	World Bank	8¾	'93 Sep	108¼	7.32		7.97
ecu 50	World Bank	11	'93 Nov	117¾	8.82		9.37
ecu 75	World Bank	10¾	'94 Nov	113¾	8.40		9.39
ecu 250	World Bank	8¾	'95 Oct	107¾	7.13		7.79

CANADIAN DOLLARS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
cn$ 50	American Express O/s	10¾	'90 Jan	105¼	9.25		10.21
cn$ 75	American Hospital	12¾	'89 Apr	105⅛	10.57		11.72
cn$ 65	Austrian Control Bank	16¼	'88 Jun	111	10.16		14.64
cn$ 50	Avco Financial Canada	13	'90 Nov	106¾	11.54		12.16
cn$ 75	Bank Of Brit Columbia	10¾	'88 May	99	10.55		10.35
cn$ 75	Bank Of Montreal	16¾	'88 May	110½	10.87		15.15
cn$ 75	Banque Indosuez	14	'91 Aug	112½	10.72		12.44
cn$ 50	Banque Nationale Paris	10	'92 Jan	102½	9.79		10.03
cn$ 60	Bell Canada	10¾	'94 Oct	99½	11.21		10.85
cn$ 100	Bell Canada	10¾	'89 Jun	105¼	9.54		10.04
cn$ 50	Brit Columbia Municip	10¾	'89 May	102	10.25		10.25
cn$ 125	Brit Columbia Provinc	12	'92 Apr	107¾	9.65		11.12
cn$ 50	Brit Columbia Provinc	13½	'91 Jul	113¼	9.98		11.88
cn$ 50	Brit Columbia Provinc	12¾	'91 Nov	111¼	9.83		11.15
cn$ 125	Brit Columbia Provinc	12	'92 Dec	112¾	9.65		10.70
cn$ 50	Brit Columbia Telepho	17¼	'88 Sep	108	12.98		15.97
cn$ 70	Brit Columbia Telepho	12½	'89 Feb	104¼	10.62		11.76
cn$ 50	Canadian Imperial Bk	14¾	'87 Jun	105	10.34		15.57
cn$ 60	Canadian Imperial Bk	12¾	'89 Jun	107½	9.36		11.86
cn$ 50	Canadian Natl Railway	8¾	'87 Mar	99	9.79		8.84
cn$ 100	Canadian Natl Railway	11¾	'95 Jun	110	9.37		10.34
cn$ 100	Canadian Natl Railway	9¾	'94 Nov	101¾	9.52		9.49
cn$ 75	Canadian Natl Railway	12½	'95 Apr	111¾	10.29		11.17
cn$ 60	Canadian Occid Petrol	12¾	'89 Mar	104	11.74		11.98
cn$ 50	Canadian Pacific	17¾	'87 Nov	104	15.36		17.23
cn$ 50	Canadian Pacific	16¾	'89 Apr	105¼	14.66		15.52
cn$ 50	Canadian Pacific	11¾	'90 May	104¾	10.48		11.03
cn$ 35	Canadian Utilities	17	'87 Aug	107	10.69		15.89
cn$ 35	Canadian Utilities	17	'86 Dec	120	12.23	12.57	14.17
cn$ 40	Charbonnages France	11¾	'95 Jun	104½	11.84		11.25
cn$ 60	Chrysler Credit Can	14	'91 Oct	112¾	11.52		12.79
cn$ 40	Chrysler Credit Can	12¾	'92 Feb	106½	12.20		11.80
cn$ 40	Credit Eastern Petr M	17¾	'88 Apr	118	9.84		14.53
cn$ 30	Credit Fonc Franc-Can	13	'88 Oct	107¾	10.11		12.05
cn$ 100	Denmark	13¼	'89 Aug	109⅝	10.05		12.51
cn$ 50	Edmonton City	13¼	'89 Aug	109⅝	10.05		12.51
cn$ 80	Elb Europ Invest Bank	12¼	'91 Dec	110	9.69		11.32
cn$ 80	Farm Credit Corp	12¾	'93 Mar	111¼	9.80		10.90
cn$ 100	Feder Business Dev Bk	12¾	'90 Oct	107½	11.59		17.22
cn$ 50	Feder Business Dev Bk	12¼	'87 Sep	103½	9.30		12.02
cn$ 40	Ford Motor Credit Can	8¾	'87 May	98¾	10.03		8.86
cn$ 50	Gaz Metropolitain	17¼	'90 Oct	123	10.45		14.02
cn$ 30	Gaz Metropolitain	14½	'92 Dec	118	10.53		12.29
cn$ 40	Gaz Metropolitain	13½	'94 Oct	118¾	10.14		11.40
cn$ 50	Gaz Metropolitain	15¾	'86 Jun	100¼	9.97		15.76
cn$ 35	General Motors Accept	9¾	'88 Oct	99	14.18	10.33	9.85
cn$ 35	General Motors Accept	16½	'89 Feb	105⅞	13.69		15.58
cn$ 50	General Motors Accept	11¾	'95 Jun	106½	10.66		11.07
cn$ 75	Genstar Financial Co	18	'87 Nov	102	16.11		17.65
cn$ 60	Hudsons Bay	10¾	'89 Apr	99½	10.70	10.49	10.55
cn$ 40	Hudsons Bay	17	'89 May	101	16.54		16.83
cn$ 50	Hudsons Bay	14¾	'89 Jul	105	12.62		13.51
cn$ 85	Industrial Bank Japan	12	'91 Dec	107½	10.15		11.14
cn$ 40	Interprovin Pipe Line	12¾	'93 Nov	110	10.18		11.36
cn$ 25	Ise Canadian Finance	10	'94 Aug	99	14.05	13.98	10.10
cn$ 75	Kreditbank Hfinq	12	'92 Jan	104¾	9.87		11.02
cn$ 35	Laval City	14¼	'91 Sep	118	9.83		12.15
cn$ 50	Loblaw	12¾	'90 Dec	104½	11.27		11.99
cn$ 40	Montreal City	10	'89 Jun	101	9.60		9.90
cn$ 40	Montreal City	12	'90 Dec	107¼	9.78		11.14
cn$ 50	Montreal City	12¼	'91 May	110¼	9.51		11.09
cn$ 50	Montreal City	12¾	'91 Nov	110¾	9.72		11.50
cn$ 40	Montreal City	11	'96 Jan	107¾	9.71		10.21
cn$ 35	Nacional Financiera	17¾	'87 Mar	101½	15.64		17.49
cn$ 30	Natcan Realty Corp	12¾	'90 Feb	106½	10.30		11.74
cn$ 50	National Bank Canada	16½	'88 Feb	106½	10.19		15.61
cn$ 75	New Brunswick Provinc	12	'95 Jun	112½	9.78		10.67
cn$ 75	New Brunswick Provinc	11¾	'95 Jan	110¾	9.84		10.63
cn$ 50	Norcen Energy Res	12¾	'93 Aug	109¾	10.73		11.62
cn$ 60	Nova Scotia Power	9¼	'93 Jul	97½	9.95		9.74
cn$ 75	Nova Scotia Province	11¾	'95 Feb	110	9.86		10.57
cn$ 100	Nova Scotia Province	12¾	'94 Dec	115¾	9.69		10.80
cn$ 30	Ottawa-Carleton	16¾	'88 Dec	107½	14.46		15.94
cn$ 65	Panocanadian Petroleum	12¾	'93 Apr	107¼	10.91		11.64
cn$ 50	Panocanadian Petroleum	16½	'87 Feb	103¾	11.32		15.94
cn$ 25	Quebec City	14	'91 Jul	108	11.30		12.93
cn$ 75	Quebec Hydro	14	'92 Nov	113	11.06		12.39
cn$ 75	Quebec Hydro	12¾	'93 Sep	109½	10.84		11.67
cn$ 100	Quebec Hydro-Electric	12¾	'95 May	109½	10.56		11.19
cn$ 50	Quebec Province	18	'87 Oct	103¾	14.87		17.34
cn$ 50	Quebec Province	17¾	'87 Nov	104	14.18		16.83
cn$ 50	Quebec Province	16¾	'88 Apr	101	14.25		16.58
cn$ 50	Quebec Province	16½	'89 Apr	107¾	13.08		15.30
cn$ 50	Quebec Province	12	'93 Jul	108¾	10.18		11.02
cn$ 150	Quebec Province	12	'95 Jan	113¼	9.68		10.61
cn$ 15	Quebec Urban Communit	16¾	'88 Jun	101	16.07		16.58
cn$ 35	Royal Bank Of Canada	9¾	'88 Apr	98¾	10.08	10.10	9.60
cn$ 50	Royal Bank Of Canada	9	'92 Feb	98½	9.33	9.38	9.14
cn$ 40	Royal Bank Of Canada	10	'94 May	99	10.19	10.19	10.10
cn$ 40	Roynat	17¾	'86 Dec	102½	10.44		16.67
cn$ 40	Sears Acceptance	14	'91 Aug	116	9.86		12.07
cn$ 75	Shell Canada	14½	'93 Jul	120¾	9.78		10.32
cn$ 50	Simpsons-Sears Accept	16¾	'88 Apr	117	9.88		14.32
cn$ 50	Swedish Export Credit	12¾	'88 Feb	104	9.43		11.78
cn$ 50	Swedish Export Credit	10	'88 Sep	103	9.71		11.67
cn$ 25	Texasgulf Canada	9¾	'88 Jun	99¾	11.92	11.88	10.03
cn$ 50	Toronto-Dominion Bank	12¾	'89 Nov	101¼	11.69		12.16
cn$ 50	Toronto-Municipality	13	'94 Oct	116½	10.02		11.17
cn$ 50	Transalta Utilities	16½	'89 Feb	110¼	9.86		14.59
cn$ 100	Transalta Utilities	13¼	'94 Nov	117¾	10.04		11.75
cn$ 50	Trizec Corp	13	'90 Oct	104¾	10.63		12.22
cn$ 50	Union Carbide Canada	14	'89 Jun	112	10.57		14.50
cn$ 40	Vancouver	13	'94 Apr	114½	10.24		11.35
cn$ 50	Vienna City	13¼	'94 Jul	115½	10.23		11.47
cn$ 50	Winnipeg City	10¾	'90 Jul	106	8.03		10.06
cn$ 75	World Bank	12¾	'95 Oct	112¾	8.63		10.86
cn$ 40	Xerox Canada	12	'88 Sep	104	9.72		11.54
cn$ 30	Zentralsparkasse-Kommerz	11¾	'95 Feb	111¾	9.78		10.41

FRENCH FRANCS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
ff 100	Basf Transatlantica	7½	'87 May	99½	8.04	8.04	7.54
ff 50	Bass Charrington	7½	'87 Aug	99¾	7.48	7.78	7.52
ff 100	Bat Intl Finance	7½	'87 Nov	99½	7.81	8.82	7.54
ff 100	Charter Consolid O/s	7½	'87 Oct	99¼	8.03	8.07	7.54
ff 100	Ciments Lafarge	7½	'87 Jul	99¾	7.70	7.77	7.52
ff 100	Denmark	7½	'87 Sep	99½	7.86	8.10	7.54
ff 175	Eib Europ Invest Bank	7½	'87 Aug	99½	7.45	7.82	7.29
ff 150	Euratom	9¾	'87 May	100	9.72		9.75
ff 500	Gaz De France	11¼	'90 May	109¼	9.99		10.30
ff 100	Oslo City	7¼	'87 Mar	99¾	8.18	8.18	7.30
ff 175	Peugeot-Citroen	9¾	'87 Feb	100⅝	8.27	8.27	9.67
ff 100	Pont-A-Mousson	7¼	'87 Aug	99¾	7.89	8.14	7.54
ff 200	Renault	7¼	'87 Mar	99¼	8.15	8.15	7.30
ff 125	Rhone-Poulenc	7½	'87 Apr	99¾	7.77	7.77	7.52
ff 125	Solvay	9¾	'87 Apr	100⅛	9.58		9.74
ff 150	Total Oil Marine	9¾	'87 Mar	100⅛	8.78		9.31
ff 150	World Bank	7¼	'87 Jun	99¼	7.96	8.22	7.30

JAPANESE YEN (EURO)

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
y 10000	Allied Co	6¾	'94 Dec	102¼	6.39		6.60
y 20000	Allied-Signal Inc	6¾	'93 Jan	102¼	6.32		6.60
y 15000	Asian Develop Bank	5¾	'88 Sep	101¼	5.15		5.68
y 15000	Asian Develop Bank	8¾	'91 Apr	101	7.99		8.77
y 15000	Asian Develop Bank	8¾	'92 Aug	105¾	7.51		8.19
y 15000	Asian Develop Bank	7¾	'94 Feb	109	6.89		6.77
y 10000	Associates North Amer	6¾	'93 Nov	99¾	6.77		6.68
y 15000	Australia	8¾	'91 Aug	101⅜	8.03		8.34
y 15000	Australia	8	'92 Oct	105⅞	7.57		8.30
y 20000	Australian Ind Dev Co	6	'96 Mar	101⅝	5.78		5.90
y 30000	Austria	7	'95 Apr	108¼	5.77		6.46
y 20000	Avon Capital Corp	6¾	'91 Dec	101¼	6.49		6.67
y 17000	British Petrol Overse	7	'92 Mar	104¼	6.01		6.68
y 80000	Canada	6¾	'91 Feb	103¾	5.21		5.90
y 30000	Coca-Cola Company	5¾	'94 Apr	98¾	5.93		5.74
y 15000	Cpc Corporation	6¾	'96 Jan	99¾	6.78		6.77
y 15000	Denmark	7	'92 Jan	105¼	5.84		6.65
y 15000	Denmark	8¾	'92 May	104⅝	7.27		7.89
y 20000	Dow Chemical Co	7¾	'94 Dec	102¾	6.58		6.81
y 20000	Dow Chemical Co	6½	'91 Apr	102	6.23		6.49
y 15000	Elb Europ Invest Bank	7¾	'92 Jun	106	7.41		7.92
y 15000	Elb Europ Invest Bank	6¾	'96 Nov	107	5.67		6.35
y 20000	Electricite France	5¾	'95 Jan	107⅝	5.77		6.49
y 20000	Eurofima	6¾	'93 Feb	105	5.71		6.43
y 15000	Eurofima	7¾	'94 Mar	104¼	6.34		6.94
y 15000	Finland	8¼	'89 Nov	102	7.68		8.21
y 15000	Finland	6¾	'90 Apr	105¾	5.15		6.39
y 20000	Ford Motor Credit Co	6¾	'91 Jan	102	6.34		6.62
y 25000	General Electric Co	5¾	'93 Apr	98⅝	5.95		5.82
y 25000	General Motors Accept	6½	'90 Feb	104⅝	5.18		6.21
y 12500	Goodyear Tire Rubber	6¾	'94 Dec	102⅝	6.46		6.70
y 25000	Goodyear Tire Rubber	6¾	'95 May	102⅝	6.48		6.93
y 15000	Ibm Credit Corp	5¾	'91 Mar	100¾	5.57		5.71
y 15000	Inter-American Dev Bk	8¾	'91 Nov	102¾	8.07		8.59
y 15000	Inter-American Dev Bk	7¾	'93 Nov	105¾	6.97		7.49
y 15000	Itt Corporation	6¾	'92 Feb	104¼	6.19		6.35
y 25000	Mcdonalds Corporation	6¾	'92 Jan	103¾	5.84		6.50
y 10000	Mortgage Bank Denmark	7¾	'92 May	105	5.97		6.67
y 10000	New Brunswick Provinc	7¼	'95 Jul	106¾	6.15		6.65
y 15000	New Zealand	8¾	'87 Dec	105¾	4.71		7.94
y 15000	New Zealand	7¾	'89 Sep	107⅜	5.08		7.08
y 20000	Pacific Gas Electric	7	'94 Sep	104¼	6.40		6.71
y 15000	Penney Jc Co Inc	6¾	'92 Feb	102¾	6.33		6.54
y 25000	Procter & Gamble	6	'91 Mar	101¼	5.75		5.91
y 25000	Procter & Gamble	6¾	'92 Feb	104¼	5.68		6.24
y 30000	Sweden	6	'96 Apr	101¾	5.75		5.89
y 12500	Sears Roebuck Co	6¾	'91 Nov	102¾	6.11		6.49
y 15000	Tvr Inc	7	'94 Dec	103¾	6.41		6.75
y 25000	United Technologies	6¾	'92 Jan	103	5.96		6.55
y 15000	Walt Disney Productio	6¾	'96 Feb	104¾	6.08		6.44
y 25000	World Bank	8¾	'91 Feb	113	5.55		7.74
y 20000	World Bank	8¾	'92 Mar	113	5.92		7.52
y 20000	World Bank	8	'93 Mar	113	5.68		7.08
y 25000	World Bank	7¾	'93 Nov	113¾	5.61		6.83
y 20000	World Bank	6¾	'94 Dec	106¼	5.79		6.35
y 25000	World Bank	6¾	'96 Feb	106⅝	5.74		6.33

NORWAY KRONERS

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
nkr 250	Denmark	9½	'92 Mar	99⅝	9.62		9.53
nkr 250	Eksportfinans	12	'89 Jan	103⅝	10.57		11.58
nkr 250	Eksportfinans	10¾	'92 Jan	100⅝	10.61		10.68
nkr 300	Finland	11¾	'89 Jan	103⅝	10.41		11.35
nkr 100	Nordic Investment Bk	12½	'90 Jul	104⅞	11.02	10.78	11.92
nkr 100	Norges Hypotekforenin	10½	'88 Apr	99¾	11.66	11.47	10.53
nkr 250	Norsk Oslo	10¾	'89 Dec	100⅝	10.57		10.68
nkr 300	Norsk Hydro	12	'91 Oct	105¾	10.56	10.71	11.35
nkr 300	Oslo City	12¾	'90 Feb	104¾	11.08	10.88	11.93
nkr 150	Oslo City	11¾	'91 Apr	103¾	10.80		11.32
nkr 250	Scandinavian Airlines	10¾	'93 Jan	101⅝	10.47		10.58

POUNDS STERLING

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
40	Air Canada	11¾	'94 May	109¾	9.88		10.70
60	Alliance & Leicester	10	'91 Mar	103⅞	9.04		9.63
40	American Brands	12	'95 Feb	114⅝	9.59		10.47
30	American Express O/s	11¾	'92 Apr	109¾	9.57		10.71
30	Amev Nv	11	'93 Jan	108⅝	9.36		10.12
50	Amro Bank	10½	'92 Mar	105⅜	9.36		9.97
40	Austrian Control Bank	12¾	'91 Jan	109½	9.96		11.64
50	Banque Franc Com Ext	11¾	'88 Nov	105¾	9.27		11.14
100	Bat Intl Finance	11¾	'91 Dec	108¾	9.41		10.81
30	Beneficial O/s Financ	14¾	'90 Dec	118	10.37		12.57
30	British Oxygen Financ	11¾	'91 May	109¾	9.69		10.71
55	British Petrol Capita	9¾	'93 Sep	102	9.23		9.56
50	Caisse Nat Telecomm	12½	'89 Oct	110¾	11.25		11.23
40	Cbs Inc	10¾	'94 Dec	103¼	10.37		10.41
25	Ciba-Geigy Intl X/w	4¾	'93 Nov	71	10.78		6.69
30	Cigna O/s Finance	12¾	'92 Aug	113¾	9.88		11.28
20	Citicorp O/s Finance	10	'93 Mar	101¾	9.74		9.83
40	Commonwealth Bk Austr	11	'93 Apr	105¼	10.05		10.45
50	Council Of Europe	11¾	'92 Apr	108¾	9.71		10.81
50	Courtaulds Intl Fin	9¾	'89 Dec	97½	10.58	10.78	10.00
50	Credit Lyonnais	10½	'93 Jan	105¼	9.43		10.01
75	Denmark	10¾	'93 Jun	107½	9.33		10.00
50	Deutsche Bank Finance	10¾	'91 Mar	107¾	8.96		9.98
20	Ecs Euro Coal & Steel	12¾	'88 Oct	105¾	9.58		12.09
30	Ecs Euro Coal & Steel	9¾	'89 Dec	99¾	9.67	9.22	9.60
50	Eec Europ Econom Com	11¾	'90 May	108½	9.40		10.83
30	Eec Europ Econom Com	11¾	'91 Feb	108¾	9.14	8.54	10.82
75	Eec Europ Econom Com	11¾	'92 Oct	108¾	9.50		10.80
50	Eec Europ Econom Com	11¾	'94 Jun	112¾	9.33		10.44
25	Elb Europ Invest Bank	11	'90 Feb	104¾	9.59	9.60	10.50
25	Elb Europ Invest Bank	11½	'91 Jun	108¾	9.38		10.60
15	Elb Europ Invest Bank	12	'91 Jul	108¼	10.01	11.03	11.33
25	Elb Europ Invest Bank	11¾	'91 Aug	110⅝	9.25		10.62
50	Elb Europ Invest Bank	10¼	'92 Feb	104¾	9.22		9.78
50	Elb Europ Invest Bank	11	'92 Dec	106¾	9.66		10.30
50	Elb Europ Invest Bank	11¾	'93 Jul	111¼	9.67		10.56

CONVERTIBLE BONDS

May 7

Amt	Security	%	Mat	Mid. Price	Conv. Period		Conv. Price p/sh	Curr Conv. Yld Prm. Shr%
	EUROPE							
	JAPAN							
	MISCELLANEOUS							
	U.S.A.							

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Explanation of Symbols

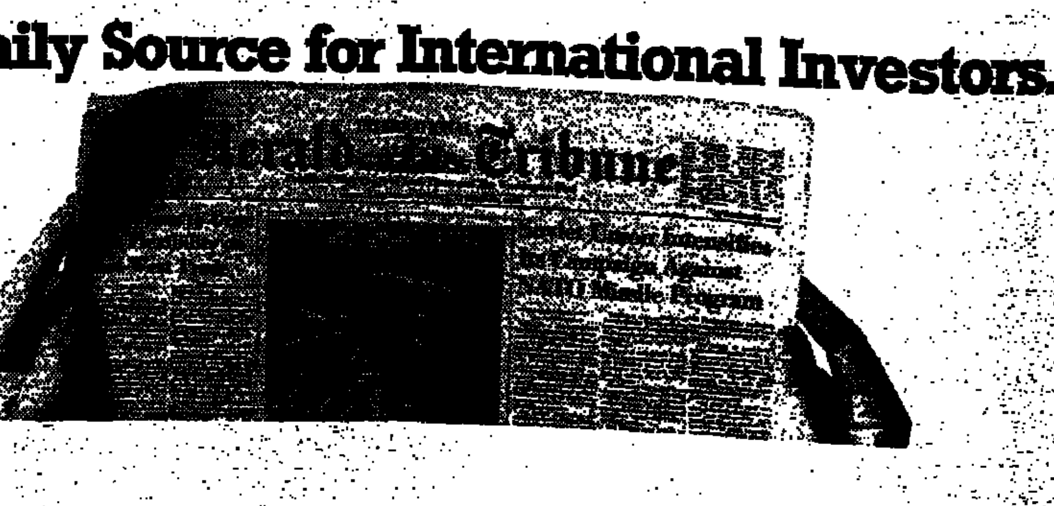
CN$	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NKD	Norwegian Kroner - DM		

NASDAQ National List

OTC consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Last	Net Ch'ge
A					
AA Imp		4½	4½	4½	
AC Tel	421	8	7⅝	7⅝	— ⅛
AEP	76	14¾	14¼	14⅞	— ⅛
AIFS	688	10	9¾	10	+ ¼
AW A	505	4⅛	3¾	3¾	— ¼
Admac	348	13½	12	13½	+1½

The Daily Source for International Investors.



A Monthly Report for the International Investor

Herald Tribune. INTERNATIONAL

Monday, May 12, 1986

PERSONAL INVESTING

FOCUS

Currency Pact: More Politics Than Policy?

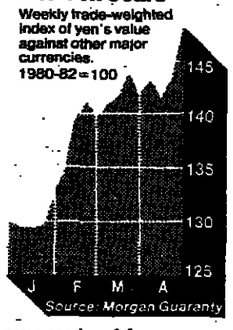
THE TIMING seemed almost prophetic. Just hours before the seven nations at the Tokyo economic summit last week outlined a plan for managing the world's exchange-rate system, the dollar skidded on currency markets, briefly touching a post-war low of just under 165 yen. Few doubt the descent is over.

"All the summit produced was a broad and disappointing statement like most of them do," observes Robert A. Brusca, chief economist for Nikko Securities Co. International in New York. "There wasn't much in the way of actual policy."

Despite the best efforts of the seven leaders to portray the same kind of economic harmony that prevailed at last September's Group of Five meeting when their finance ministers decided to push down the value of the dollar, their vague talk of closer coordination of economic policies and possible "remedial" measures to influence a country's currency did not carry much weight in foreign exchange trading rooms this time around.

The Yen Soars

Weekly trade-weighted index of yen's value against other major currencies. 1980-82=100



To the extent that it points to future cooperation to steady exchange rates, the agreement provides Japanese and European leaders some ammunition to deal with the grumblings of critics at home who are worried about export markets. But without specific agreement on when or if central banks should jointly intervene to steady the dollar, currency specialists say a continued drop seems assured. "If you can't even agree on target zones for currencies, how can you possibly determine if one currency or another is diverging?" notes Tim O'Dell, a currency forecaster with Phillips & Drew in London. "It becomes a matter of subjective judgment." Adds Mr. Brusca, "It's essentially a political solution."

Brendan Brown, chief international economist at County Bank, the investment banking unit of National Westminster Bank in London, sees the dollar dropping to 160 yen in the near term. This, he believes, will trigger another cut in the Japanese discount rate that should stabilize the market. It is a view shared by Mr. O'Dell of Phillips & Drew, who says the dollar then will bounce back to 165 yen. But others believe the outlook is less certain.

Indeed, the agreement is symptomatic of the underlying economic discord among Western allies. With protectionist sentiment rising in Congress, the Reagan administration is seen as being under mounting pressure to redress the U.S. trade deficits. And with Japan's trade surplus expected to swell to $65 billion this year, thanks in part to lower oil prices, the domestic difficulties that Prime Minister Yasuhiro Nakasone has in dealing with a rising yen hardly evokes sympathy in Washington.

EVEN THOUGH the value of the dollar has dropped more than 30 percent against the yen since last September's G-5 meeting, the perception in the currency market is that Washington would welcome a further decline, especially given the sluggishness of the U.S. economy and the reluctance of Tokyo and Bonn to speed their own economic growth.

"That's pretty clear," says Jonathan Francis, director of currency forecasting services at Wharton Econometrics in Philadelphia. U.S. Treasury Secretary James A. Baker 3d "has yet to see a major improvement in the trade balance."

Until there is a clear commitment by the Reagan administration, there is little the Japanese or Europeans can do, economists say. Repeated interventions by the Bank of Japan and to a lesser extent by the Bundesbank and Bank of France have not arrested the dollar's slide. Even reductions in Japan's discount rate — now at just 3.5 percent — have not curbed the demand for yen.

"I don't think they will stop this freight train," warns Nikko's Mr. Brusca. "A currency in motion stays in motion." □

John Meehan

Reuters

President Reagan and Prime Minister Nakasone at the Tokyo summit

The Practical Side of Futures and Options

These instruments are gaining ground with individuals.

AP

Tense faces at the Chicago Merc.

By Bruce Hager

New York

DAN Tierney has been pretty busy lately. As nationwide manager for sales and marketing in PaineWebber's Futures Division, he has been deluged with phone calls from many of his investment firm's 4,000 brokers with questions on how they can learn more about futures and options.

A few years ago, recalls Mr. Tierney, retail brokers concentrated on a short menu of stocks and bonds. But futures and options now have become an integral part of today's markets, he adds, particularly with an explosion of activity in contracts on currencies, bonds and stock market indexes. "I think without question any client with a sizeable portfolio wants to have an understanding of what's going on in these markets," Mr. Tierney says.

The awareness about financial futures and options reflects the overall boom in these markets over the past few years. Not only have these derivative instruments long ago transformed the concept of commodities trading, they also have become a major influence in financial markets.

Indeed, they are major markets in their own right. On a recent day volume for Standard & Poor's 500 index futures on the Chicago Mercantile Exchange reached almost 70,000. At the same time volume for Treasury bond futures on the Chicago Board of Trade topped 200,000.

Though futures and options still carry a racy image, an increasing number of individual investors have begun to take a more practical view of the financial contracts. Much like professional investors, individuals are finding these instruments provide an efficient means to hedge against sharp market moves or bet on upward surges without costly purchases and sales of the actual stocks or bonds. Such approaches have gained adherents as the rally in financial markets has matured. Individuals also can obtain easy, short-term access to specialized markets through direct trading in these instruments or through funds that rely on them.

Currency, not normally part of an individual's portfolio, is a good example. Last September, if an investor felt the dollar was due for a correction and bought a June call option on the yen on the Philadelphia Stock Exchange for a premium of $1,092.75, the contract would be worth about $12,000 today. Falling interest rates and a weakening dollar have created similarly inviting trading opportunities in futures contracts on U.S. Treasury bonds and stock indexes.

Nine exchanges in the United States offer 82 futures contracts and 25 options contracts on a variety of investments ranging from pork bellies to Japanese yen. This does not include options on individual stocks. And many of them have been racing to establish international links to tap new products and customers around the world.

AP

The Chicago Mercantile Exchange and the Singapore International Monetary Exchange simultaneously trade futures contracts in Eurodollars, Japanese yen, and Deutsche marks, while the Philadelphia Stock Exchange offers currency options linked with the London Stock Exchange, and the New York Commodities Exchange (Comex) will offer a gold futures link with the Sydney Futures Exchange within the next six months, pending approval by the Commodity Futures Trading Commission.

Dealing in the futures and options market is trickier than buying and selling their underlying instruments, however. Because they are highly leveraged, futures and options prices swing wider and successful trading means a lot of homework. Options players usually subscribe to specialized newsletters that prescribe strategies. And individuals usually venture into the futures market though a futures fund or managed account.

Futures, in particular, are noted for their boom and bust cycles. After rising inflation led to strong, identifiable market trends and big returns in the boom years of the 1970s, the market lost its appeal for individuals

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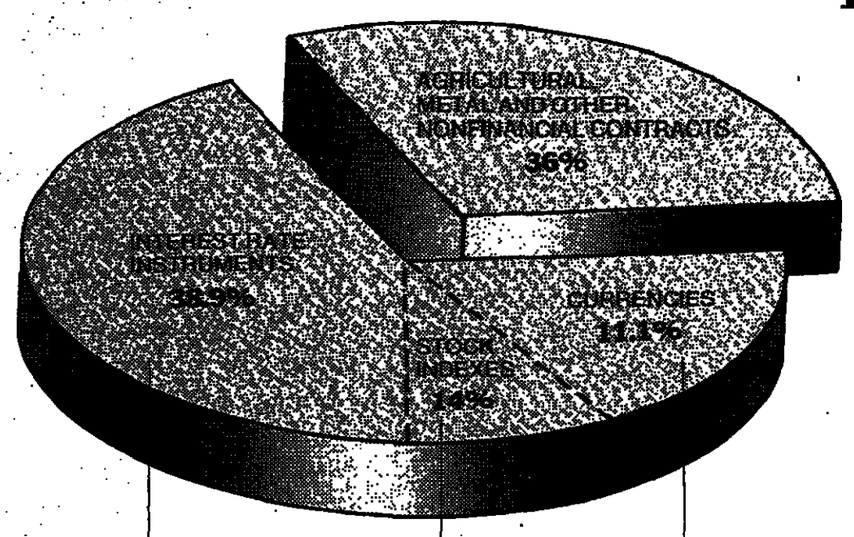

Financial Contracts Dominate Futures Trading

In the first quarter of 1986, the biggest portion of trading was in futures on U.S. Treasury securities, certificates of deposit and mortgage-backed securities.

The second most active area was in futures on stock indexes, such as the Standard & Poor's 500 Index or Major Market Index.

Trading in currencies made up over 11 percent of trading in futures during the first quarter.

Source: Futures Industry Association

AP

Viewing Options Versus Futures

ALTHOUGH both allow an investor to speculate on the movements of markets or specific instruments, futures and options are decidedly different. An option gives the buyer the right, not the obligation, to buy (call) or sell (put) an underlying instrument, such as currencies or Treasury bonds, at a specified "strike" price during a fixed period of time. The cost of purchasing the contract is called the premium.

A special case is stock index options, which are settled in cash. The value of both index options and futures contracts equal the index multiplied by a specific dollar amount. An investor also can write, or grant, options, but that involves greater risk than purchasing options contracts and usually is undertaken only by experienced traders.

Unlike an option holder, the purchaser of a futures contract undertakes a commitment to buy or sell an instrument on a specified date. An investor must deposit with his broker a payment called a margin, which usually represents from 2 percent to 5 percent of the contract's value and fluctuates with the value of the contract. For the options buyer, the downside loss is limited to the premium. But futures traders are responsible for the full value of the contract.

Treasury bonds offer a good example of how futures contracts and options differ. The margin on a June contract for $100,000 in Treasury bonds, set by the Chicago Board of Trade, recently was about $3,200. Commissions, which are negotiable, and clearing costs added another $76 to bring an investor's commitment to $3,276. By contrast, the premium on the equivalent June option was about $2,500.

During one recent trading period, T-bonds opened the week at 103.12 and closed five days later down at about 98. The holder of the futures contract would have lost a total of $5,375, representing the loss in the contract in one week. At the same time, the options trader would have lost only $2,000, a figure that represents the loss in value of the option itself.

On the other hand, if the market had gone to 105, the futures contract owner would have made $2,000. The option player would have seen the value of the contract increase by $1,200, roughly half that of the futures contract. □

BOURSES

Looking Beyond The Nifty Four

By Warren Getler

Stock selection in Frankfurt is getting trickier.

Frankfurt

LAST year as the Frankfurt exchange soared 74 percent, stock selection was no problem for international investors. It was the West German blue-chip corporations with worldwide reputations, the likes of Deutsche Bank and Daimler-Benz, that led the charge to record peaks.

But this year, it is tougher. "Frankfurt 1986 is not a market where you simply jump into shares across-the-board in a very big way," cautions Michael Zapf, managing director of Bank in Liechtenstein (Frankfurt) GmbH. "We're recommending to our foreign clients that they not play the 'nifty four' — Siemens, Daimler, Deutsche Bank and Allianz — to the same degree as last year, with the exception of Deutsche."

"We've seen that these blue chips and others tend to outperform the market in bull phases, but, importantly, they underperform in times of reaction," Mr. Zapf says, adding that "1986 is going to be marked by downward reactions."

Such caution has little to do with the general health of the West German economy. Indeed, the economic outlook is a chief reason that Frankfurt, though it may not match 1985's performance, will likely do well. Growth is expected to be the fastest in the West at around 3.5 percent, inflation is forecast to fall to a meager 0.5 percent, interest rates are edging down, and the trade surplus is bulging to a record $45 billion.

The ringer is the declining dollar, which in recent weeks touched five-year lows against the Deutsche mark at 2.15 and appears set to drift down to 2.10 DM.

Already there are signs that a stronger mark is crimping profits at the major West German exporters.

Though prices of shares in the Big Three chemical concerns — Hoechst, BASF and Bayer — have been touted as undervalued, earnings may not live up to expectations, at least through the first half. Hoechst AG, the first of the big three to report first-quarter pretax profit, saw its world group earnings slide 9.4 percent from a year earlier.

Similarly, there has been little good news in the big West German engineering sector, where orders in March were off 14 percent from a year earlier. Mannesmann AG also has felt the oil price slump in falling orders for its big petroleum pipes. And Siemens, hurt by the soft dollar and declining orders in its big nuclear power-plant division, announced two weeks ago that first-half net income was nearly flat compared with a year earlier.

On numerous occasions this year, blue-chip shares have tumbled sharply on news of further drops in the dollar's value against the mark, bringing the market index down on their heels. Adding to the market's erratic behavior has been a heavy load of new issues, including Deutsche Bank's 2-billion-DM offering of shares in Feldmühle-Nobel AG, and a series of

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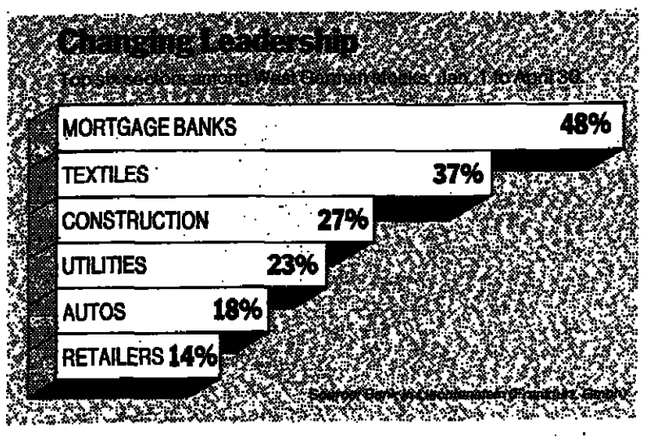

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The Practical Side of Futures and Options

Continued From Page 11

in the early 1980s when low inflation weakened commodity markets.

The futures market has rebounded since 1983, and the nature of the market has changed. Today, financial futures comprise about 40 different contracts ranging from interest-rate instruments and stock indexes to foreign currencies and precious metals. Compared with traditional commodities, they represented a full 60 percent of the 158.6 million contracts traded in the United States last year. The market in U.S. Treasury bonds alone would have been the third-largest commodity exchange in the United States.

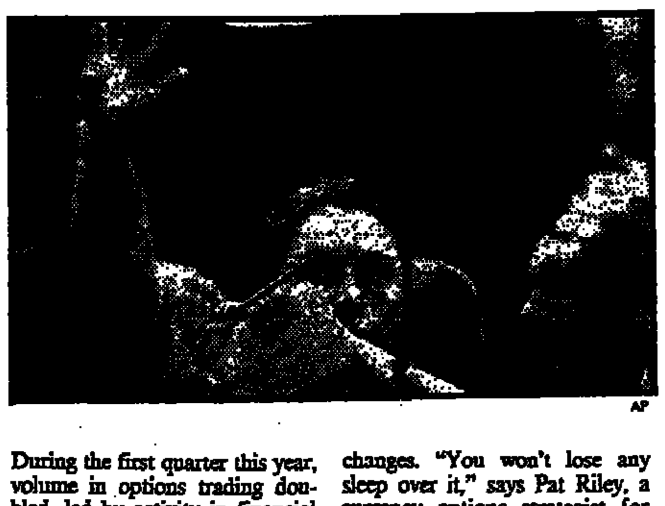
Still, futures are noted for erratic movements, multiple trades and consequently, high transaction costs. In fact, academic studies have found that from 65 percent to 75 percent of amateur speculators lose money trading futures.

"What goes wrong in futures is so simple," says Christopher Funk, a futures trading adviser in Lafayette, Indiana. "There's so much leverage, the margins are so small, that people say, 'Look what happens if I'm right!' And they might be right once or twice." But, he adds, the one time that they are wrong might wipe them out completely.

Given the need for professional expertise, the number of publicly offered futures funds and privately managed accounts is growing. Many are becoming increasingly specialized, similar to mutual funds, allowing individuals to target investment areas.

One of the first was the Financial Futures Only Portfolio, which began in April 1983. Over the years, the portfolio has invested in everything from Ginnie Mae contracts to foreign currencies while eschewing the traditional commodities. "It was intended for those particular investors who are comfortable with financials they understand and not the soybeans and corn," says Virginia Saylor, vice president of Cresta Commodity Management Inc., the fund's trading adviser.

Options represent only about one-sixth the trading volume of futures, but they are the fastest growing of the two categories.



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During the first quarter this year, volume in options trading doubled, led by activity in financial contracts such as Treasury bonds, the Standard & Poor's 100 and 500 Indexes, and foreign currencies.

As risk-limiting instruments, buying options is less appealing to professional traders, who prefer the profit potential and greater diversity offered by futures. But for investors heavily exposed in a market — be it stocks, bonds or currencies — buying an option is a lot simpler and less expensive than liquidating a portion of their investment if the risk environment changes. "You won't lose any sleep over it," says Pat Riley, a currency options strategist for Prudential-Bache Securities in New York.

A bond investor worried that interest rates may spurt upward in the short-term could buy a put option on Treasury bonds rather than selling part of his portfolio. If rates rise sharply, profits on the put option would help offset the drop in prices on the bond portfolio. If rates remained stable or dropped, the investor would be out only the premium.

There are drawbacks, however. To make a profit, a user of options has to be right about the magnitude of a market move. Take the example of a September call option on the S&P 500 with a strike price of 245. Just to break even, the S&P 500 index must move just over eight points. Anything less, and the investor would lose part of the $4,050 premium.

Experts stress the speculative nature of futures and options and recommend that neither represent more than 2 percent to 8 percent of a balanced portfolio. Leigh Stevens, head of futures and options strategies at PaineWebber in New York, tells his clients to use risk capital only and establish strict loss limits.

Portfolio advisers also suggest that investors make sure they select a contract tailored to their needs if they are using these instruments as a hedge. Although currency contracts are straightforward, investors often make the mistake of buying the wrong instrument to hedge their stock and bond exposure.

Take the futures contract for the S&P 500 Index, which trades on the Chicago Mercantile Exchange. The index is composed of 500 blue-chip stocks and is used increasingly by professional traders and pension managers as a means of hedging billion-dollar accounts. For an individual portfolio worth $100,000, the correlation is less direct.

"No individual investor owns the S&P 500," explains Richard Levin, president of Orion Inc., a New Jersey commodities trading adviser. "His whole individual portfolio may behave very, very differently from the index itself."

A closer relationship might be found in the S&P 100 futures contract traded on the Chicago Mercantile Exchange. The S&P 100 options contract, traded on the Chicago Board of Exchange, is another possibility.

One company that uses options as part of their clients trading strategy is North American Intervest, an international portfolio based in Boston. According to Hans Black, president, a typical balanced portfolio managed by Intervest devotes about 1 percent or 2 percent of the assets to financial options, both as a hedging and speculative strategy. For a portfolio of $250,000, that might include two call options on Japanese yen and five call options on the S&P 100. □

The Key to Success Is Riding the Trend

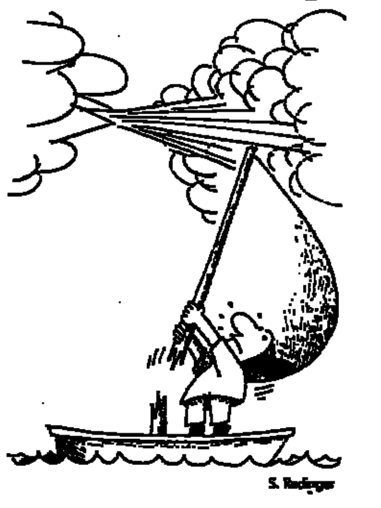
THE trick of successful futures trading is learning how to identify the beginnings of strong trends. Specialists in trend following depend on mathematical formulas that track only technical movements. Once their computers identify either a bullish or bearish trend, these traders stick to it regardless of short-term developments.

It is a seemingly fearless approach to a market where prices can move up and down as many as 20 times within a half hour. Dedicated trend strategists even eschew fundamentals like economic indicators or political upheavals, even though they traditionally have an immediate impact. The disaster at the Chernobyl nuclear power plant in the Soviet Union, for example, caused long dormant wheat and corn futures to soar briefly.

Until recently, most trend followers have been focusing on financial futures. Falling interest rates and a weak dollar have benefited U.S. Treasury bonds, which are up almost 30 percent over the past six months.

Since March, however, price movements in financial futures have become increasingly erratic and difficult to read. As a result, some traders have adopted a more conservative approach to avoid being "whipsawed," or fooled into buying or selling a contract too quickly.

Although individual trend followers have perfected their own formulas for spotting a pattern, some of which are closely guarded secrets, most strategies revolve around



S. Rodriguez

"moving averages" and "breakouts." The moving average is a lagging indicator that averages past and present price movements. If a 10-day average moves above or below a 40-day average, this is considered a breakout. And the degree and the length of the crossover measures the potential momentum of a market to touch a new high or a new low.

The recent surge in wheat prices is a good illustration of how the system works. Following news of the Chernobyl disaster, July wheat prices moved from 261 cents a bushel to a high of 281 on April 28 before settling at 273.5. The jump pushed the 10-day average above the moving average for the past 40 days, marking the start of a short-term bullish trend.

These systems usually are tailored to individual needs. Some traders prefer strategies that are extremely sensitive to market movements and are quick to spot trends. Others prefer to examine more price data. Their computers can take up to a three or four days to signal a trend.

Futures strategies also vary with the nature of the underlying instrument. When it comes to stock index futures, Leigh Stevens, a strategist at PaineWebber, uses 12 different models that primarily measure technical moves in the equity market.

One measures the premium that the index is trading at in the futures market relative to its actual level. A narrow premium, he explains, generally means that the futures contract is undervalued, and it becomes profitable for the portfolio manager to buy the futures instead buying equities. Conversely, an overly wide premium means that the futures are overvalued. A trader would then buy stocks and sell the futures short.

"If the June futures are at 244, and the (S&P 500) index is 242, that's a fairly bullish premium," Mr. Stevens says. "If the futures index was 243 and the index was 242.50, that's a fairly thin premium." □

Bruce Hager

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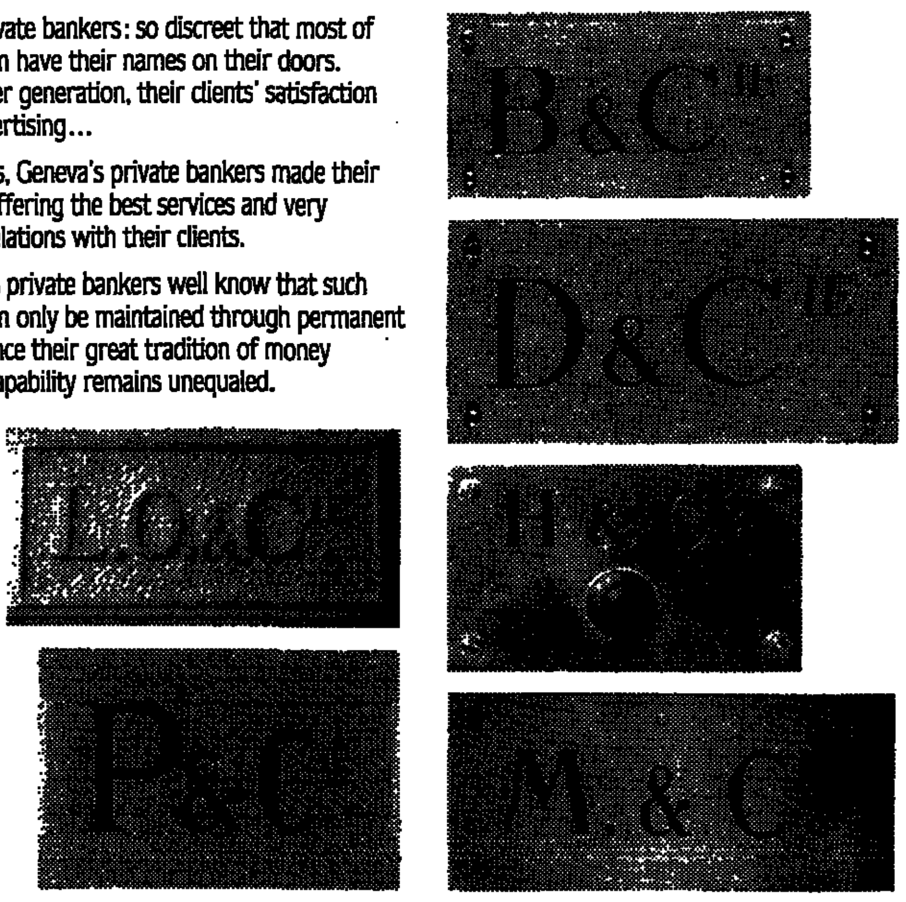

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FUNDS

A New Fund's Volatile Play On Japan

By Terry Trucco

London

LIKE most fund managers, Si Kay Lee, who heads the four-month-old Gartmore Japan Warrant Fund, likes to brandish statistics to make a point. Citing C. Itoh Fuel Co., which operates service stations in Japan, he notes that while its share price appreciated 115.6 percent last year in yen terms, the price of its warrants jumped a staggering 1,782.3 percent.

At the same time, share prices of Furukawa, a mining company, dropped 24.5 percent while its warrants skidded 75.3 percent. "When the share price goes up, this has a magnified effect on the warrant price," he explains. "Of course, it works the other way around, too."

In boom times, investors often seek out leveraged instruments such as warrants to enhance returns. And given the Tokyo stock market's buoyant performance in recent months, it is little wonder that Japanese equity warrants are in high fashion at the moment, both with individuals and institutions.

Equity warrants, which behave much like stock options, give the holder the right to purchase a specified number of shares at a fixed price during a fixed time, usually from five to seven years. Because the purchase price of each warrant is just a fraction of the value of the underlying shares, warrant prices are far more volatile than the share prices themselves, carrying a proportionally greater potential of reward for the higher risk.

Many of the best performing funds in Japanese stocks so far this year have included a generous sprinkling of warrants in their portfolios. But at the top of the list is Mr. Lee's fund, which is comprised totally of warrants. As of April 31, it had increased 72.2 percent in dollar terms, compared with a 45.1-percent increase on the Tokyo Stock Exchange Index.

Past performance tells little about a fund's future returns, but Mr. Lee, a 31-year-old Malaysian who manages two other Japanese funds for Gartmore, has high hopes for both warrants and the Tokyo market over the next 12 to 16 months. In addition to declining oil prices and interest rates that could fall to a post-war low, available cash at both institutional and household levels in Japan is expected to remain high, boosting investment in the stock market. "I don't think the market is adequately reflecting the impact of these three factors, particularly in the domestic sectors," he says.

With their vast stores of ready cash, the Japanese could make a big impact on the warrant market once they get interested in it, Mr. Lee adds. But that has not yet happened. Though a number of Japanese companies have issued so-called detachable warrants denominated in major European currencies and in U.S. dollars since 1982, Japanese investors were prohibited by law from investing in them until the first of this year.

AP

Si Kay Lee: Betting on warrants.

Even with the change in the laws, the response of Japanese investors has been tepid at best. In fact, the Japanese have effectively ignored the only four warrants currently listed on the Tokyo Stock Exchange. The rest of the 210 Japanese warrants outstanding are traded over-the-counter and are listed on the Luxembourg Stock Exchange.

But Mr. Lee expects the Japanese to enter the market with gusto during the next 6 to 10 months. As it stands, "many Japanese don't yet know enough about warrants," he says. Japanese investors typically have bought shares on credit, using margin accounts, when they wanted to get the most exposure to the market for the least cost.

They will quickly learn that warrants offer similar opportunities, Mr. Lee believes, with two advantages. The profit potential — and loss potential — for warrants is about 3½ times higher for warrants than for margin transactions. Second, margin accounts have a life span of only six months, while warrants are traded for several years.

The Gartmore fund, which has assets of $22 million, up from $10 million at its start, currently includes 26 different issues heavily weighted toward the stock market's domestic sector. Mr. Lee especially likes issues likely to benefit from higher consumer spending, particularly construction and housing stocks, including Aoki Construction Corp. "On fundamentals, I think housing looks best," he says. "The government is reducing home loan rates, and there is talk of tax incentives for home improvements."

But the fund also features food and store shares including Hohnen Co., Nichiei Co. and Renown Inc.; heavy electrical machinery issues, such as Meidensha Electric Mfg. Co. and Osaka Transformer Co.; and electricals, such as Casio Computer Co., Fujitsu Ltd. and Sony Corp. Just 15 percent is in the export-oriented, blue-chip issues. "There's a potential for prices to recover, but it's doubtful if a rally in blue chips can be sustained," Mr. Lee says.

What will happen if the boom market fizzles? "What we can do is sell a lot of the warrants, go liquid and buy government bonds," Mr. Lee concludes. The only question is whether Mr. Lee can move quickly enough to sell off substantial numbers of such highly leveraged instruments in what amounts to an international over-the-counter market. The next bear market in Tokyo will be the test. □

Leaders

Percent change in yen for four Japanese companies' warrants and shares in 1985. All warrants denominated in Swiss francs.

Company	Warrants	Shares
Tobu Railway	+870.4%	+88.6%
Nankai Railway	+790.7%	+93.6%
Furukawa	-75.3%	-24.5%
Honshu Paper	-54.8%	-10.4%

BOURSES

Rethinking Travel Stocks

By James C. Boland

New York

ENTERTAINMENT and hotel stocks have risen sharply in recent months on U.S. exchanges, as investors look for a boom in American vacation travel this summer. But some issues have risen so much that even analysts who like the companies' long-term prospects warn that the enthusiasm may be overdone. Earnings of many U.S. companies will be up, they say, but the gains may not be dramatic.

About 12.9 million Americans ventured abroad last year. But the fear of terrorism and the higher cost of foreign travel imposed by the weak dollar could combine to cut that number by 25 percent in 1986, *according to some estimates*. That trend, plus the hope that the summer vacation season will be strong on its own account, thanks to lower gasoline prices and reasonable consumer prosperity, has lifted the shares of U.S. entertainment, restaurant, lodging and re*gional airline companies*.

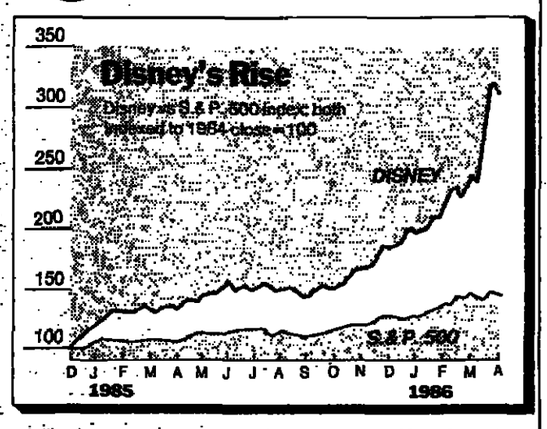
"It's an obvious positive," said William T. Trainer, an analyst for Merrill Lynch. "But maybe it has been overstated."

The quintessential vacation-entertainment company, Walt Disney Co., has enjoyed a spectacular run, trading last week at $46, up 140 percent since September, although it has slipped some in recent weeks.

"You're getting assumptions that everybody in the world is going to be down at Disney World," said Harold L. Vogel, vice president of Merrill Lynch Capital Markets. "We were enthusiastic about Disney for a long time. But we have felt as it got up to $45 to $50 that the story was getting to be rather recognized. It is no secret anymore."

Mr. Vogel sees much to admire at Disney, including the company's five-year growth strategy, real estate values, film and television activities, and theme park promotional efforts. Citing his earnings estimates of $1.80 a share for this year and $2.15 for 1987, he said, "it is not a cheap stock."

In the hotel sector, Mr. Trainer estimated that American tourists' shunning of Europe might add demand for seven million nights' lodging to the U.S. hotel business, a gain of about 1.3 percent over the 540.6 million "room nights" the industry chalked up last year. "That's not to be sneezed at, because the incremental business is quite profitable," he said.



But that good news may only partly offset a problem, he noted. Hotel construction has been bringing new rooms onto the market faster than customers have been filling them, and the occupancy rate has been falling from last year's 64.4 percent. "Even when there's a benefit from terrorism or currency differences, it's likely that occupancy is going to be down this year, with the possible exception of the summer months," Mr. Trainer said. "July and August should be good for the industry, with a tight supply."

That forecast is reflected in his earnings estimates for the lodging chains. Mr. Trainer believes Hilton Hotels Corp., which was trading last week around $74 — 15 points above its October low — could earn $4.20 a share in 1986, a meager 4-percent gain over last year's $4.03. He does not expect the gain, moreover, until the second half, with much of it coming from the company's new Flamingo Hilton Casino in Las Vegas.

He remains a long-term admirer of Marriott Corp., quoted last week as high as $172. Mr. Trainer looks for Marriott to earn $7.40 a share this year, up 19 percent from 1985's $6.20. The company is well managed, he said, and has been bucking the trend of lower occupancy rates.

But, overall, Mr. Trainer said, the stock market may have overvalued the lodging industry "in the short run, especially when we look at the magnitude of what this summer may do for the industry."

If vacationers who stay home from Europe head for the Caribbean, Divi Hotels NV, a small chain based in Ithaca, New York, might benefit. Divi, with six hotels and a casino in Aruba and other Netherlands Antilles locations, may have cleared 40 cents a share in fiscal 1986, which ended in April, according to Faith Griffin, a senior vice president with Rooney Pace Inc. With its Aruba casino enlarged and a new, 131-room hotel in Barbados opened in December, Miss Griffin said she believes the company, whose stock trades over the counter at about $8 a share, could clear 80 cents or more in fiscal 1987.

Another group of stocks in the spotlight is regional restaurants. Steven A. Rockwell, an analyst with Alex. Brown & Sons in Baltimore, mentions Cracker Barrel Old Country Stores, whose restaurants are mostly along interstate highways, as benefiting from investor enthusiasm for travel-related stocks.

"It's a nice company," he says, but the price increase to $20 a share, means it is fairly valued. For that reason, "We're not recommending it," he said. □

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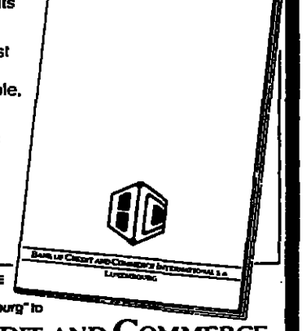

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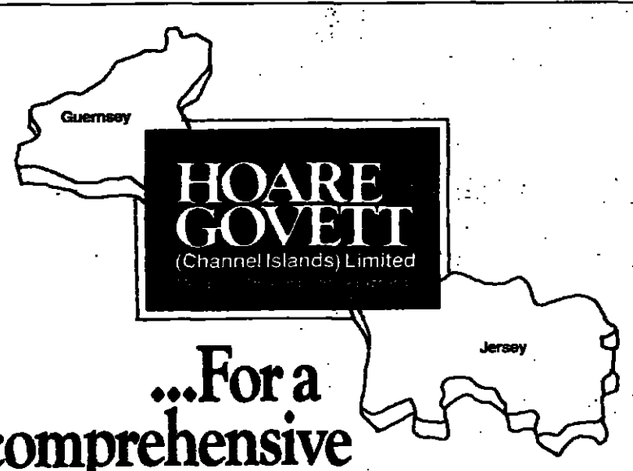

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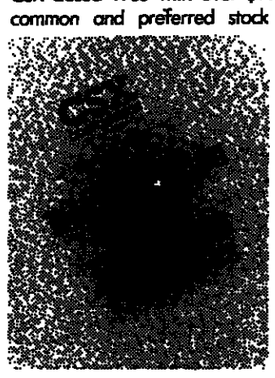

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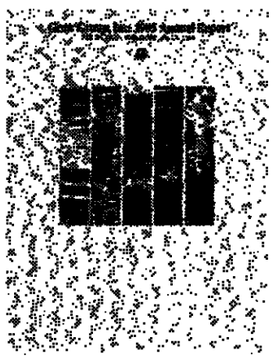


3

ROBECO

Robeco, established in 1933, is a Dutch-based investment fund with a globally diversified portfolio worth U.S. $2.3 billion. Re-invested return in dollar terms over 12 months ended March 1986 was 75%. Robeco's shares are traded at net asset value on 18 stock exchanges incl. Amsterdam, London, Frankfurt, Paris, Zurich and Tokyo.

4

AGA AB

The year 1985 was a profitable and eventful year for AGA. The acquisition of the Uddeholm Group through a special issue of AGA shares to Uddeholm shareholders has added considerable strength to AGA's expansion base. Our expansion was continued during 1985 through increased investments, which amounted to more than SEK 1,200 billion — a very sharp rise compared with preceding years.

5

Hutchison

HUTCHISON WHAMPOA LIMITED

Hutchison Whampoa Limited is one of Hong Kong's largest, strongest and most diverse trading and investment holding companies. The Hutchison Group derives its financial strength from a number of autonomous subsidiaries and interests in several high-performance associated companies. It has major profit centres in property, container terminal operations, trading, retailing, China trade, engineering, quarrying and power supply and generation. It is looking for further expansion opportunities outside Hong Kong.

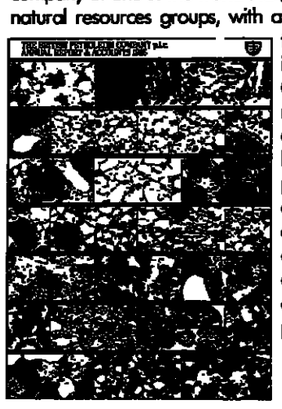
The Hutchison Group's net profit attributable to ordinary shareholders for the year ended December 31, 1985, was U.S. $192 million.

Address: 22nd Floor, Hutchison House, Hong Kong.

6

BRITISH PETROLEUM

The British Petroleum Company p.l.c. is the parent company of one of the world's largest international oil and natural resources groups, with a major stake in the US through its 55% interest in The Standard Oil Company. 1985 profits rose 44% to £1,816m on a replacement cost basis. The group is well-placed to meet a challenging year for the energy sector, thanks to a strong financial base, operational diversity and broad geographical spread.



7

NATIONALE NEDERLANDEN

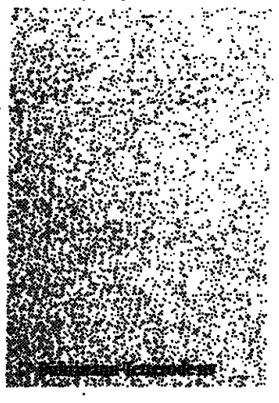
Nationale-Nederlanden, the largest insurance group in the Netherlands, ranks high in the world list of insurers and is an important private investor. The companies combined in the Nationale-Nederlanden Group with over 22,000 employees in 24 countries offer services in the field of financial security and market their products in cooperation with thousands of insurance consultants.

The Group's revenue which amounted to well over U.S. $6 billion in 1985, is derived from four sectors: life 33%, non-life 29%, professional reinsurance (7%), investments and other insurance-related activities 31%. Net assets increased by 36.5% to $2.6 billion.

8

BÜHRMANN—TETTERODE

A multitude of activities accommodated in BT make it into a diversified Group with strong, international features. BT operated in the consumer market, the capital goods market and the market for industrial (semi) manufacturers as supplier and producer of special products. BT very often occupies a prominent position in the relevant markets of many countries. Geographic expansion, promotion of synergetic effects and stable profit growth have been the main principles of a consciously conducted policy.



In 1985 sales amounted to Dfl. 3,253 million (1984: Dfl. 3,180 million). The net profit on ordinary operations went up by 70.4% to Dfl. 57.3 million (1984: Dfl. 33.6 million). Profit per share rose by 44% to Dfl. 13.10 (1984: Dfl. 9.10). The proposed dividend for 1985 amounts to Dfl. 5.20 per share (1984: Dfl. 3.80). The improved equity ratios in 1985 offer, together with the enhanced earning capacity, a sound basis for BT's further expansion. Based upon current judgement of the positive trends which already show up within component parts of the Group, 1986 can be a good year for BT.

9

NOVA AN ALBERTA CORPORATION

NOVA *is a major Canadian energy company* headquartered in Calgary, Alberta. Assets at year-end 1985 were approximately $6.4 billion. Revenues for the year totalled $3.3 billion, and net income (before extraordinary items) was $134 million.

The Company is active in several industry sectors: natural gas transportation and marketing, petroleum (through 57%-owned Husky Oil Ltd.), petrochemicals, manufacturing, consulting and research. NOVA's Alberta system transports over 75% of Canada's marketed natural gas production.

10

AMETEK (NYSE-PSE) AME

AMETEK strengthened its position in the industrial/scientific instrumentation market through its 1985 purchase of Panalarm, a worldwide leader in process monitoring instruments; other acquisitions during the year provide AMETEK with an entry into fiber optics, composite materials, and CAD/CAM design through its purchase of Houston Instrument, the leading producer of computer driven graphics plotters. Managed to maximize cash flow and return on investment, AMETEK generated the *highest cash flow in its* history — $70.7 million — from its 1985 sales of $503 million.

For an annual report by return mail call AMETEK Investor Information at (215) 647-2121.

11

McDonald's

McDonald's is the world's largest restaurant organization, serving 19 million people daily in 9,000 restaurants located in 41 countries around the world. In 1985, McDonald's reported record net income, total revenues and systemwide sales for the 21st consecutive year since becoming a publicly held company. Total assets rose 19 percent to more than $5 billion and return on average common equity exceeded 21 percent. McDonald's is one of 30 companies that comprise the Dow Jones Industrial Average.

12

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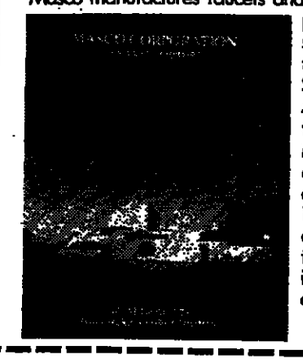

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13

VALIN POLLEN INTERNATIONAL

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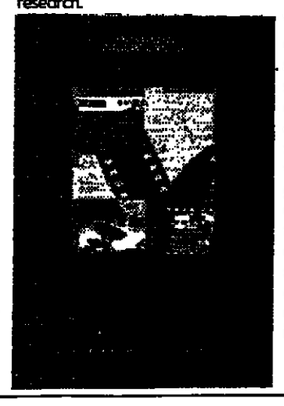

Valin Pollen International acquired its first overseas subsidiary in 1985 as a first step towards the development of a network of offices in the major financial centres of the world. The Group's future growth will stem from its ability to offer clients a fusion of high-level consultancy with a wide range of specialised communications, creative and computerised information services.

14

MASCO INDUSTRIES

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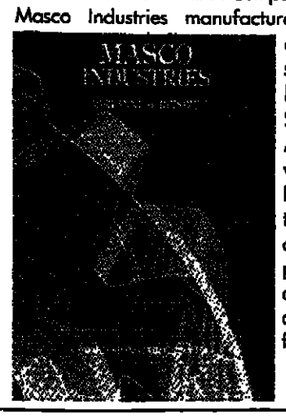

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15

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BOURSES

A Worrisome Enthusiasm Greets New Issues

By Leslie Whitaker

New York

BARGAIN hunters in a bull market frequently are tempted by initial public offerings, often the cheapest stocks with the greatest growth potential. So it was in 1983, when investors betting mostly on speculative high-technology issues poured a record $12.6 billion into IPOs. But the bull's collapse later that year leveled new issue prices and significantly dampened the market's response to newcomers.

How quickly they forget. Amidst another sustained rally, investors are once again greeting IPOs with enthusiasm. Last year's $8-billion market was second only to 1983, and now the stage is set for what may be a record-breaking year.

During the first quarter, 94 IPOs were brought to market, 10 more than were issued during the same period three years ago. The $2 billion raised, however, fell short of the 1983 total for that period by $300 million.

The final tally "is a little difficult to predict at this point," says Susan Gallant, editor of Going Public: The IPO Reporter, a newsletter that has tracked IPOs since 1969. Miss Gallant noted, however, that she expects the current rate of 10 to 15 new issues each week to continue for at least the next few months.

Some analysts worry that low-quality issues may once again populate the IPO market. Miss Gallant warns that as more companies attempt to capitalize on the bull market, "chances are that quality is going down." David Scofield, senior vice president of the Bull and Bear Group, a New York-based mutual fund, says, "We're beginning to see less seasoned companies for the first time. But there is a low number of these."

Kevin Kimberlin of D.H. Blair in New York, an underwriter known for its high volume of IPOs, shrugs off concerns about speculative excesses. "We expect a very good year, but not the speculative enthusiasm of 1983," he says. "The market's a lot more rational. For good quality companies, it's the best market we've seen since then."

So far, this year's IPOs have done well even though experts felt many initially were too pricey. Eighty-four of the last 100 IPOs traded above their offering price, as of April 23, and 76 were outperforming the Standard & Poor's 500 Index, according to Miss Gallant. Moreover, in contrast to the domination by high-technology stocks in the 1983 market, this year's offerings are notable for their variety.

First Quarter Stars

Top performing initial public offerings in period from Jan. 1 through April 30.

COMPANY	BUSINESS	ISSUE DATE	OPENING PRICE	PRICE 3/31/86
Parkcrest Thousand Oaks, California	Medical testing services	Feb. 27	$4.25	$7.81
Bank Corp. Hartford, Connecticut	Bank holding company	Nov. 25	$10	$15.50
Sunworld Denver, Colorado	Distributes food mixes	Feb. 7	$6.50	$9.56
Bank Corp. Austin, California	Savings bank	Jan. 14	$15	$22
Sun Micro Santa Clara, California	Manufactures computer workstations	Feb. 27	$5	$7.81

Source: IPO Reporter

Biotechnology stocks clearly are this year's glamour sector. Few of these companies have any earnings, or even a product, but have come to the market this year primarily to fund their research. And investors generally have welcomed them.

Aside from the usual dreams of a scientific breakthrough, Mr. Kimberlin says that investor interest also has been fueled by takeover speculation triggered by Bristol Myer Co.'s February acquisition of Seattle-based Genetic Systems, a developer of diagnostic tests, for $104 a share. It went public in 1981 at $6.

Among recent issues, Mr. Kimberlin recommends Ocogene Sciences, a Mineola, New York company that is developing an anti-cancer drug. It went public a month ago at $6 a share and was trading last week at $9.75. He also likes Cambridge, Massachusetts-based T Cell Sciences, a two-year old company that is developing diagnostic tests. It is scheduled to go public this week at $12 to $15. An agreement with Syntex, a large pharmaceutical firm, to invest $4 to $5 million in the company and to buy $500,000 worth of shares at the offering price "gives me a nice warm feeling" about the company, he says.

Specialty retail companies also have been coming to market lately. Brendles, a discount retailer in North Carolina with $200 million a year in sales, is recommended by Mr. Scofield. "It's a quality company that's always earned money," he says. The stock is expected to be issued this week or next at between $15 and $17 a share.

David Mills, who manages the Special Growth Fund in Boston, recommends consumer electronics retailer First Family Group in Akron, Ohio, which which went public last March at $14 a share. He cites the company's attractive price-earnings ratio of just under 10. Although Mr. Mills sold his shares after the stock climbed above $19, he still likes the company. "If it pulled back, I would buy it," he says. Municipal Development Corp., which finances public projects, is another of Mr. Mill's picks. The stock was issued on April 25 at $8.25 and traded at $9.25 last week.

Atlanta/Sosnoff Capital, which plans to sell a 20-percent stake to the public in coming weeks, also is getting attention. Headed by Martin Sosnoff, a renowned New York investor, it will be the first institutional money manager to go public. Michael Lipper, president of Lipper Analytical Services, says that the advertised trading range of $14 to $17 may mean that, "even though none of these (fund companies) issues have done poorly in the existing environment, some others may represent a better value over an extended period."

Another future offering that is attracting a good deal of interest is Time Inc.'s plan to sell 20 percent of its cable television subsidiary, American Television & Communications Inc., to the public next fall. Although analysts have yet to estimate its offering price, the cable business is widely judged to be of "very high quality," says Drexel Burnham Lambert's media specialist, Jeffrey Russell. "Time Inc. is a major player and investors will be scrutinizing this offering very closely," he says.

Despite the general success of IPOs, there have been disappointments this year. Bull and Bear's Mr. Scofield initially bought, then sold, Paris Business Forms after the number of investment firms making a market in this over-the-counter stock fell to 4 from 10. It is "a nice, solid company," he notes, "but it gives the appearance that the stock has been abandoned."

Another disappointing issue has been Sun Microsystems, a manufacturer of computer workstations. It was offered at $16, dropped as low as $12.25 in April and rebounded last week to $17, but it has yet to meet expectations. Analysts say the issue may have fallen victim to the prevailing caution among investors when it comes to the technology sector. □

SOMETHING DIFFERENT

Photographs: Lingering Fascination With Captured Moments

By Lynne Curry

London

SITTING in his gallery located just around the corner from New Bond street, Jeremy Maas is fingering and examining a couple of faded photographs. The Victorian art dealer has made his living for years selling the gilt-framed paintings that line the walls of his shop, but his real passion is collecting photographs of the 19th-century art world.

"People are mad not to collect," says Mr. Maas, 58, owner of J.S. Maas & Co. Art Directors. "It's the perfect area of collecting for the compulsive collector. You can examine them, drool over them, compare them, search for their history, and they are still cheap."

Mr. Maas is not alone in his sentiments. Attracted by their beauty as much as their historical significance, collectors have been drawn in increasing numbers to the photography market in recent years.

"There is an extraordinary fascination in looking at the action of light on light sensitive chemicals on paper about people, places, and things all those years ago," says Philippe Garner, an expert at Sotheby's. "The esthetic element is also a major appeal. The documentary and human interest reasons are interwoven with the esthetic."

Prices of photographs have risen dramatically in the past 15 years. One of the world's highest prices at auction was reached last year when Sotheby's New York offices sold an extremely rare autographed picture of Abraham Lincoln and his son for $104,500. In 1983, a 1910 photograph of Wall Street taken by Paul Strand was purchased privately by the Canadian Center of Architecture in Montreal for what reportedly was a record $180,000.

But this does not mean that there are no more bargains. Photographs did not emerge as a popular collectible until the early 1970s, and even today the merit of photography as an art form still is debated in some parts of the world. In many cases this has led to sharp price disparities.

Art critics in Britain, for example, which has had less of a visual arts tradition than other European countries, only recently have begun to take photography seriously. By contrast, photography long has been treated in the United States as a legitimate form of expression, in part because it chronicles nearly all of the country's history.

"America is a lot more open to all concepts of photography," says David Allison, an associate director of Christie's. "Three-quarters of U.S. culture is recorded through the camera lens back to the Civil War. The important events you can see in photographs. You can't see 1066 in photographs. You can't see Henry VIII storming about the Tower of London."

Courtesy of Christie's

Portion of a photo by Maxime du Camp from 1852.

The market can be broadly broken down into two categories: 19th- and 20th-century photographers. Certain 20th-century works have tended to be more expensive than those from the last century, particularly in the United States, the major market for 20th-century photographs. Works by American masters such as Ansel Adams, Alfred Stieglitz, Edward Steichen, Paul Strand and Edward Weston tend to fetch more at auction than those by equally famous European photographers such as Henri Cartier-Bresson, André Kertész, Brassaï and Bill Brandt.

Nineteenth-century works are growing in popularity, however. Some of the more familiar names from the 19th century include William Henry Fox Talbot, Julia Margaret Cameron, Roger Fenton, Peter Henry Emerson and Frederick H. Evans.

When shopping for a photograph, keep in mind that the subject of a photo is extremely important to collectors.

Twentieth-century photographers in the United States focused on a wide range of subjects, while the better-known works of their European counterparts depicted life in Paris during the 1920s and 1930s, London in World War II, theatrical figures, nudes and the Spanish Civil War.

Because tastes change, it is difficult to project which subject will be the most popular at any one time. In New York, experts say, collectors now are less interested in the American Civil War and other historic photographs. Experts advise those just starting to build a collection to do so thematically, focusing on particular subjects, for example, travel, architecture, boats, or theater.

The basics of collecting still hold true: go for quality and good condition. A photograph in poor shape is worth about one-third to one-half less than a fine print. Examine the photograph closely for its feel, color, look, and the effects the light has had on it over the years.

For those interested in early photographs, provenance, the history of an item, is particularly important in order to avoid fakes. If there is any uncertainty about where the photo came from, Christie's Mr. Allison cautions against buying it.

Not all duplicates of prints are fakes. Some photographers, such as Cartier-Bresson, kept the negative and reprinted the original photo for wider distribution some years later. But the early print is considered to be the more valuable one. □

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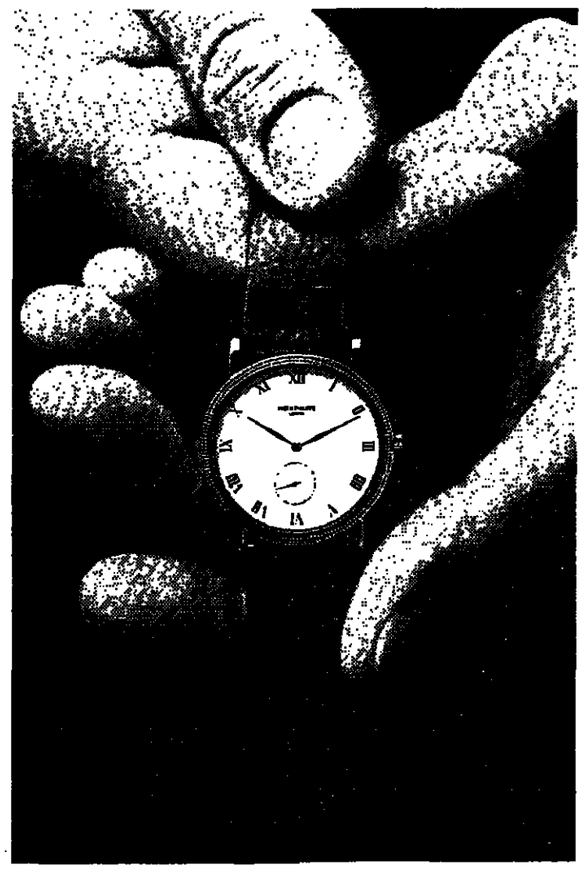

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BOURSES

Looking Beyond Nifty Four

Continued From Page 11

rights issues by the big chemical houses, most recently Hoechst.

Though Mr. Zapf sees the Frankfurt Allgemeine Index advancing to 800 from its current level of just above 700, he warns that the ride may be bumpy. Glenn Wellman of Alliance Capital Management International in London agrees: "We think the market will support higher prices, but some of the high riders of last year will have to be digested and consolidation phases will continue."

While exports — long the motor behind the West German economic recovery that began in August 1982 — are being buffeted if not battered, the domestic-oriented shares are in for rosier times, particularly retailers, consumer-oriented financial institutions and utilities. Retailers are poised to benefit from an expected 4.5-percent rise in private consumption, while the financial institutions and the utilities stand to gain from Bonn's nurturing of a disinflationary environment.

The shift from export-oriented sector to domestically focused companies is seen in a comparison of last year's top performers with the front-runners in the first four months of 1986. The lists have nearly been turned on their head. Insurers, commercial banks and automobiles led the 1985 rush, with spurts of 119 percent, 117 percent and 107 percent, respectively. Steel and electricals followed with respective climbs of 86 percent and 56 percent.

The story was different in the first third of this year. Mortgage banks were ahead with advances of 48 percent; textiles, 37 percent; construction, 27 percent; and utilities, 23 percent. Autos were up a mere 18 percent, insurance, 12 percent; commercial banks, 2 percent, and electricals, where Siemens dominates the sector, were down 2 percent.

The problem for chemicals and other basic industries is not just the softer dollar. Closer to home, disinflation has an equally pernicious effect, at least in the short term, note economists and market analysts. Expectations of further price declines has made domestic industry hesitant to place orders for raw materials and other goods.

A Mannesmann oil pipeline is laid in Colombia.

"We're seeing a major inventory draw-down," said Thomas Michaelsen, economist at Bank in Liechtenstein. "Industry is waiting until prices decline further before entering into long-term contracts. This could mean a real stagnation in GNP growth for the first quarter, which could also spill into the second. But we expect the economy and basic industry to pick up strongly in the second half."

With the export sectors under a cloud, the British brokerage Phillips & Drew, a subsidiary of Union Bank of Switzerland, has urged clients to take a closer look at West Germany's long-floundering retail chains. Based on expectations that West German shoppers will put an 11-billion-DM cut in income tax this year to proper use, 1986 has already been dubbed the year of the consumer.

While share prices among the chains already are at their highest levels in more than a year, improving profit forecasts could push them further, the brokerage says. But these shares are not cheap. Price-earnings multiples for retailers Karstadt AG, Kaufhof AG and Horten AG have hovered close to 30 — about double the market average.

Underpinning the shares are forecasts that retailers' dividends will be on the rise. Kaufhof has announced a 50-pfenning increase in its 1985 dividend to 7 DM, while Karstadt and Horten are expected to maintain their payout. □

STRATEGY

Earnings in the Driver's Seat

New York

WHEN looking for bargains, the first figure sought by value-oriented investors is the share price divided by projected annual earnings. But a low price-earnings multiple seldom tells the whole story. If earnings stagnate or shrink, a low P-E stock can turn out to be something less than a bargain.

Until recently, that was the story behind U.S. automobile shares, says Elaine Garzarelli at Shearson Lehman Brothers, who uses elaborate computer models to gauge the relative attractiveness of various stock groups. Although the auto stocks have been trading at P-Es as much as 50 percent below that of the market as a whole, the outlook for earnings have not been inspiring. The so-called consensus estimate — compiled from forecasts by hundreds of analysts — is for a 10-percent drop in 1987 auto-company profits.

But Miss Garzarelli believes the consensus is wrong. Her model, which attempts to measure the effects of various economic changes on industry profits, indicates that auto-company earnings are likely to grow 10 percent next year. "Autos have always been cheap, but they've never had that earnings momentum," she says.

Such buoyant earnings would make the group a good bet to outperform the Standard & Poor's 500 Index, she believes. The total profits of the companies that make up the index are forecast to rise about 9 percent. For that reason, she has upgraded the auto group last week to an "attractive" rating from a "neutral" rating. In particular, she says Chrysler, trading at $38, "looks like an over-$50 stock" in the six-month view.

The upbeat view on autos arises from Miss Garzarelli's belief that the economy will rebound in the second half. A big factor will be the effect of lower oil prices, which will give consumers as much as $20 billion of additional spending power. "This is something I think people are overlooking," she says. "They don't have to pay as much for heating oil and gasoline, and they can spend that money on other things."

Miss Garzarelli expects this boon to affect a broad range of stock groups, including leisure, general merchandise, durable goods and the smaller technology companies. In this economic environment, she says, it make more sense to emphasize earnings power over value measures in the search for stocks.

Many of the issues she favors are under $15 a share, such as Seagate Technology, a disk drive maker trading at about $13; RLC Corp., a trucking company, about $11; Chi-Chi's, a restaurant chain, about $10, and Moseley Hallgarten, a nationwide stockbrokerage, about $6.25 a share.

Given the current level of interest and the acceleration in the growth of company earnings, Miss Garzarelli is little concerned about the prospect of a major setback to the market. At most, she sees a correction of 4 to 7 percent, which would take the Dow Jones Industrial Average down to the low 1700s.

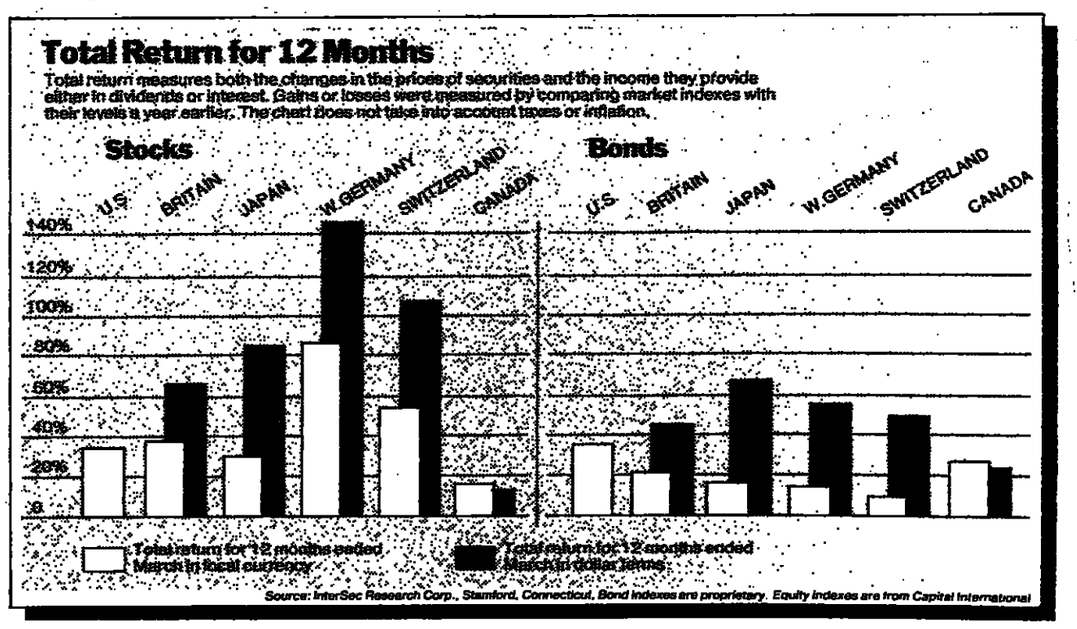
As a historical indicator, the interest rate on three-month Treasury bill is signaling that the stock market will remain strong, she says. Past experience shows that when the three-month rate goes up 20 percent from its low in the business cycle, it signals a stock market pullback of 10 to 15 percent, she explains. The rate is at 6.07 percent; it would have to move to 7.2 percent before the market would be in trouble, Miss Garzarelli calculates. □

William McBride

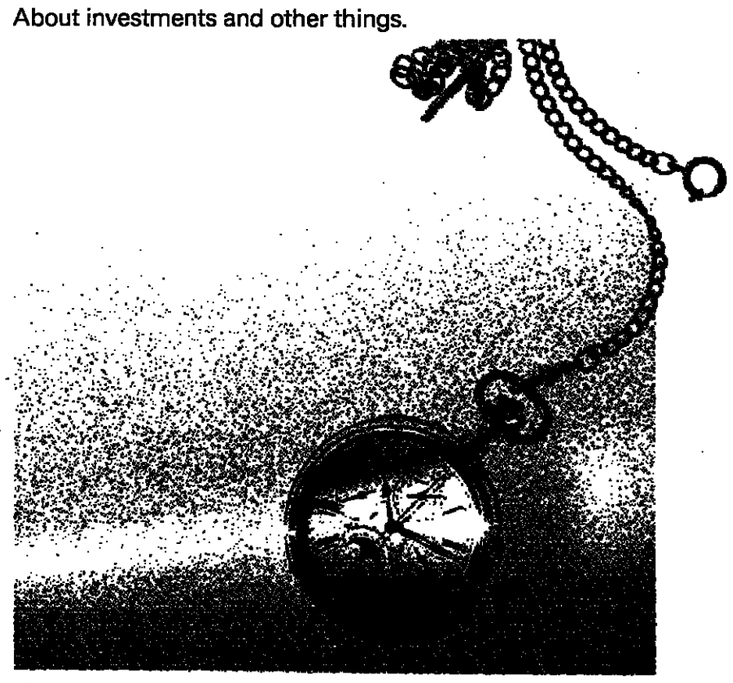
Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in April.

GAINERS	Percent Gain	Price April 30	LOSERS	Percent Loss	Price April 30
New York Stock Exchange: Compiled by Media General Financial Services. Prices in dollars					
Sun Chemical	43	70.25	Financial Corp. Am	33	11.38
Unifirst Corp.	39	26.75	Trans World Airlines	29	13 13
Gap Inc.	39	68 50	Audio Video Affil.	27	11 38
National Gypsum	38	68.50	William Wrigley	26	42 25
Service Resources	32	12.25	Sanders Associates	26	31 50
Harris Graphics	32	21.25	Duquesne Light	26	13 38
Univar Corp.	28	12.63	Quick & Reilly	22	30 38
Nashua Corp.	27	50.75	United Industrial	22	20 75
Fin. Corp., Santa Barbara	26	15.75	Safeguard Business	21	16 00
Pioneer Electronic	26	28.25	Harper & Row	20	20.63
American Stock Exchange:					
Shopwell Inc.	49	27.00	Giant Yellowknife	27	11 25
Turner Broadcasting	42	24.25	Knoll International	23	15.25
Hampton Industry	35	14.88	Verit Industries	22	13 00
Resorts Int'l Class A	34	69.63	Landmark Savings	21	14 13
Mission West Prop.	33	12.00	National Patent Dev.	21	22 88
Over the Counter:					
Pharmacontrol Corp.	108	13.25	Electro-Catheter	33	14 00
Survival Technology	83	22.00	Mars Stores	27	10 75
Reebok International	57	66.25	Sooner Federal Savings	26	10.00
Applied Communication	55	26.75	Spectran Corp.	26	10 25
Centrust Savings Bank	54	13.50	REFAC Technology	24	14 00
London Stock Exchange: Compiled by Morgan Stanley Capital International. Prices m pence.					
Woolworth Holdings	39	845	Tricentrol	25	56
BSR International	33	130	United Scientific	20	140
Standard & Chartered	32	827	Wellcome	14	189
British Printing	26	302	Smith Industries	13	278
Hambros	22	258	Kleinwort Benson	12	730
Racal Electronics	21	218	Lasmo	11	118
Stock Conversion	19	743	Trusthouse Forte	11	174
Simons Engineering	19	285	European Ferries	11	150
Marley	16	133	De Beers (S. Af.)	10	456
Int'l Thomson	15	492	Dowty Group	10	195
Tokyo Stock Exchange: Compiled by Morgan Stanley Capital International. Prices in yen.					
Victor Co. Japan	38	3,080	Nipponyusen	29	375
Hattori Seiko	34	1,610	Tokio Marine & Fire	23	1,100
Meiji Milk	32	33	Mitsubishi Estate	22	1,750
Fuji Photo Film	26	2,490	Mitsui Osk Lines	20	221
Toyota Motor	26	1,660	Nippon Express	19	759
NCR Japan	24	2,570	Toyobo	18	335
Daikin Industries	23	787	Tobu Railway	17	519
Nippon Gakki	22	1,600	Mitsubishi Heavy	17	374
Secom	22	7,030	Sumitomo Marine	17	819
Tanabe Seiyaku	22	1,400	Hankyu Corp.	17	500



About investments and other things.

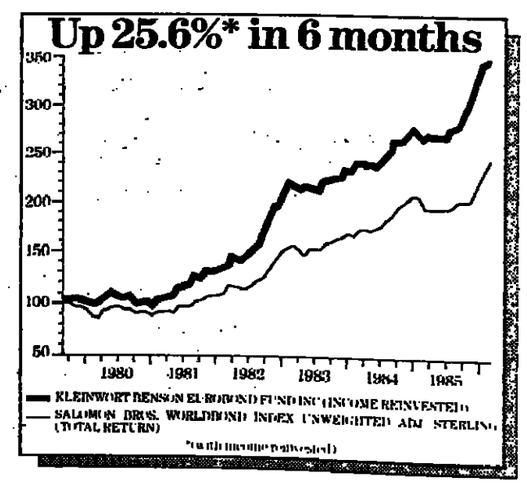


When you need advice on a very rare chronograph, one of the best sources of information is Edgar Mannheimer, a leading Zurich expert on watches.

When you need top professional advice on investments, talk to us.

Union Bank of Switzerland

Results speak for themselves.



The KB Eurobond Fund has continued to provide investors with consistent growth despite the turmoil in the currency markets.

In keeping with its aim of preserving capital over the longer term, while at the same time earning as much income as is compatible with this objective, the Fund has yielded a high, steady return to investors, through investment in International Bonds.

The Managers expect the downward trend in interest rates worldwide will continue to be of benefit to the Fund. Over the last six months the net asset value of a Participating Share has increased from £16.83 ex dividend on 9th September 1985 to £20.49 ex dividend on 6th March 1986.

Dividends are paid twice a year in April and October, and you can monitor the Fund's prices in the Financial Times. The dividend payable on 30th April 1986 to holders on the register as at the close of business on 5th March 1986 is 65.33p per share.

KLEINWORT BENSON EUROBOND FUND LIMITED

For a copy of the Prospectus, on the basis of which alone applications can be made, please contact:
Clive Harris
KLEINWORT BENSON (GUERNSEY) FUND MANAGERS LIMITED
Dept IHT,
Westbourne, The Grange,
St. Peter Port, Guernsey.

New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Azienda Nazionale Autonoma delle Strade	$110	1990	1/16	100	100.00	Over 6-month Libor. Callable at par in 1988. Fees 0.15%. Denominations $10,000.
Banque Nationale de Paris	$100	1991	4½	100	—	Over 6-month Libor. No coupon paid in first 2 years. Noncallable. Fees 0.60%. Denominations $10,000.
DFC Overseas Investments	$100	perpt	¼	100	99.95	Over 6-month Libor. Callable at par in 1991. Fees 0.25%. Denominations $10,000.
Moscow Narodny Finance	$100	1993	3/16	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.75%. Denominations $10,000.
FIXED-COUPON						
Bank of Tokyo Curacao Holdings	$ 50	1991	8¼	100⅞	—	First coupon to be paid in one lump sum in 1990. Noncallable. Fees 1⅞%.
Christiania Bank	$100	1996	8	100⅜	—	Noncallable. Fees 2%. Denominations $10,000.
Crédit Lyonnais	$100	1993	8½	101¼	—	First 5 coupons to be paid in one lump sum in 1991. Noncallable. Fees 1⅞%.
Ex-Im Bank of Japan	$200	2000	8	100⅜	98.13	Semiannually. Callable at 105 in 1991. Sinking fund to start in 1990. Fees 2¼%.
Int'l Finance Corp.	$ 50	1993	7⅝	100¾	—	Noncallable. Fees 1⅞%. Denominations $10,000.
National Westminster Bank	$150	1991	7½	100¾	98.38	Noncallable. Fees 1⅞%.
Standard Oil	$100	1996	8	100⅛	97.88	Noncallable. Fees 2%.
Toyobo	$ 50	1993	8	100⅞	97.63	Noncallable. Fees 1⅞%.
Toyo Trust Asia	$100	1993	8	101	98.00	Noncallable. Fees 1⅞%.
Mo Och Domsjoe	DM 100	1993	6⅛	100	—	Noncallable. Fees 2¼%.
NordLB Finance	DM 250	2001	6	100	—	Noncallable. Fees 2½%.
WestLB Finance	DM 250	1998	5¾	99½	—	Noncallable. Fees 2½%.
World Bank	DM 250	1993	5¾	99¼	—	Noncallable private placement.
Leeds Permanent Building Society	£ 50	1993	9¼	100¼	97.75	Noncallable. Fees 1⅞%.
Nederlandse Gasunie	FF 400	1996	7½	100	98.38	Noncallable. Fees 2%.
BFG Luxembourg	ECU 25	1992	7	100¼	—	Noncallable. Fees 1⅞%.
Citicorp	ECU 50	1993	7	100	98.25	Callable at 101 in 1990. Fees 1⅞%.
World Bank	ECU 60	2001	6⅝	100	—	Noncallable private placement. Fees 1⅞%.
IBM Australia Credit	Aus$ 150	1989	12½	100¾	98.75	Noncallable. Fees 1½%.
Honda Int'l Finance	NZ$ 100	1989	16⅝	101¼	—	Noncallable. Fees 1½%.
Borg Warner Acceptance	Y 17,000	1991	5⅝	101⅝	98.88	Noncallable. Fees 1⅞%.
Hewlett Packard Finance	Y 17,000	1991	5¾	101½	99.00	Noncallable. Fees 1⅞%.
Thomson Brandt Int'l	Y 17,000	1993	5⅝	101⅝	—	Noncallable. Fees 1⅞%.
EQUITY-LINKED						
American Bankers Insurance Group	$ 70	2001	open	open	99.75	Coupon indicated at 5¼%. Redeemable in 1993 to yield 7½-8%. Convertible at an expected 25-29% premium. Fees 2½%. Terms to be set May 15.
Daiwa Securities	$120	1991	2⅝	100	122.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,476 yen per share and at 165.20 yen per dollar. Fees 2¼%. $80 million issued in Europe and $40 million issued in Asia.
Daewoo Heavy Industries	$ 40	2001	3	100	—	Redeemable at par in 1988 if restrictions on foreign stock ownership have not been eased. Callable at 102½ in 1993 and redeemable at 119 in 1991. Convertible at an expected 50% premium. Fees 2½%. Terms to be set May 16.
Diesel Kiki	$ 50	1991	open	100	106.00	Coupon indicated at 2⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 15.
Minebea	$100	1991	open	100	—	Coupon indicated at 2⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. $50 million issued in Europe and $50 million issued in Asia. Terms to be set May 16.
SCI Systems	$ 60	2001	3	100	—	Semiannually. Redeemable at 120 in 1990. Convertible at onpremium. Terms to be set May 15.
Sumitomo Special Metals	$ 80	1991	open	100	—	Coupon indicated at 2⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 13.
Senko	DM 70	1991	1½	100	—	Noncallable. Each 5,000-mark note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 12.
WARRANTS						
Goldman Sachs	0.25	3 mos	—	$17	—	Warrants exercisable into warrants exercisable in turn until May 1987 into new U.S. Treasury's 10-year bonds. Exercise price into second-series warrants is $30, and exercise price into the bond is 100.34.
Goldman Sachs	0.25	3 mos	—	$25	—	Call warrants to buy at 101.06 new U.S. Treasury's 30-year bonds.
Goldman Sachs	0.25	3 mos	—	$30	—	Put warrants to sell at 95.56 new U.S. Treasury's 30-year bonds.
Salomon	0.10	8 mos	—	$155	—	Call warrants to buy Aus$10,000 at a fixed exchange rate of $0.7725 per Australian dollar.
Salomon	0.10	8 mos	—	$365	—	Put warrants to sell Aus$10,000 at a fixed exchange rate of $0.7125 per Australian dollar.

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

AMSTERDAM — Prices on the Amsterdam Stock Exchange fell slightly last week in a reporting period shortened by Thursday's Ascension Day holiday.

The general share index closed at 262.7 points, down 3.1 points from the previous week.

International companies lost 4.4 points to close at 255.3. Industrials were down 1.5 to 252.4, while the trade index closed up 1.4 point at 259.7. Shipping and aviation lost 2.1 points to close at 209.0. Banks were down 5.6 points to 381.2, while insurance companies lost 11.8 points to close at 644.3.

Prices fell every day except Tuesday. Philips NV lost more than 4 guilders Wednesday after the release of unexpectedly poor first-quarter results.

The Amsterdam Interprofessional Market System, or AIM, was introduced during the week, allowing large investors to negotiate commissions with brokers on stock transactions worth more than 1 million guilders or bond transactions exceeding 2.5 million guilders.

Total value traded, excluding AIM, was 2.963 billion guilders, with shares accounting for 1.765 billion and bonds 1.198 billion. AIM turnover was 342 million guilders, 90 million in shares and 252 million in bonds.

Frankfurt

FRANKFURT — The stock market was sluggish last week owing to the continuing fall of the dollar, which is hurting West German export orders.

The Commerzbank index dropped 89.1 points over the week to 2,049.3. Most blue-chip stocks registered strong losses on Wednesday and Friday after a slight revival Tuesday, with Daimler-Benz, Volkswagen and BASF closing down 5 to 6 percent from the previous week.

Volume reached 2.050 billion Deutsche marks, compared with 2.517 billion DM the previous week.

Daimler-Benz lost 92 DM over the week to close at 1,365 DM, and Volkswagen was down 32.20 DM at 595.20 DM. Of the auto stocks, only BMW gained, up 4 DM to 579 DM, after the company's announcement of a new capital issue.

BASF, Hoechst and Bayer, the three chemicals giants, lost 9 to 16 DM over the week, while the three largest banks, Commerzbank, Dresdner Bank and Deutsche Bank, lost 7 to 16 DM.

The regional elections in mid-June, which analysts say may lead to a fall in investment if the ruling coalition loses, will increase uncertainty in the market this week, dealers said.

Hong Kong

HONG KONG — Hong Kong stocks touched a new high before falling back in relatively quiet trading last week, but analysts forecast more bullish times ahead.

The Hang Seng index gained 9 points to close the week at 1,852.21, while the new Hong Kong index rose 6 points to 1,152.36. They registered similar increases the previous week.

Daily volume averaged about 341.53 million Hong Kong dollars, down from 433.05 million dollars a week earlier.

After holding steady on Monday, the Hang Seng index gained nearly 16 points on Tuesday and 7.5 points on Wednesday to set a new high of 1,865.65. Dealers attributed the rise to enthusiasm generated by the start of a new futures index here. The Hang Seng index dropped back more than 13 points on Thursday and Friday.

Among the most active stocks, Swire Pac 'A' rose 30 cents to 13.60 dollars, Hong Kong Electric gained 20 cents to 9.25 dollars, Hutchison dropped 25 cents to 30.50 dollars and Cheung Kong lost 20 cents to 21.60 dollars.

Dealers forecast a new surge of activity next week in anticipation of falling interest rates. They said an influx of funds from unsuccessful applicants in the Cathay Pacific Airways stock issue would also help the market.

London

LONDON — The previous week's gains were wiped out in dull conditions on the London Stock Exchange last week, as trading activity was curtailed by the long British bank-holiday weekend and by the midweek holiday in several European countries.

The Financial Times Ordinary Shares Index dipped to its lowest level for nearly two months Friday before recovering to close slightly above the lows. Sentiment was unsettled from the start by poor April money-supply figures, which erased hopes of an early additional cut in interest rates and rumors of possible rights issues from the foods giant Allied Lyons and the retail chain Marks & Spencer.

Although these rumors were not confirmed, large rights issues were made by the retail chain Harris Queensway and the discount house Cater Allen. The jewelry sector sparkled on the takeover scene, where Rayners snapped up a 28-percent stake in H. Samuel, and announced it would bid for the rest. Trafalgar House announced an £80-million offer for the troubled engineering group, John Brown.

Oil stocks benefited from steadier crude prices, and gold stocks from firmer bullion. After first rising, gilts were depressed by the pound's decline on the government's poor performance in the British local elections.

Milan

MILAN — The Milan stock exchange was buoyant last week, with the COMIT index closing at 824.98 on Friday, a 6.3-percent increase over the previous week's close of 775.88.

The value of shares traded doubled, to 2,063 billion from 1,029 billion lire. Trading in the previous week, however, was weakened by the May Day holiday.

Fiat shares soared Friday on rumors that Libya might withdraw its holdings. The closing price of 14,800 lire represented an increase of 149 percent since the start of the year. Throughout the week various issues connected with the group also gained substantially, notably IFI, the financial holding company of the Agnelli family.

Insurance companies began strong, with Previdente on Monday gaining 20 percent and Alleanza 11 percent, but leveled off later in the week.

Bank stocks picked up in midweek. Credito Italiano and Banco di Roma each gained 11 percent on Thursday while Commerciale was up 5.6 percent on Wednesday.

Paris

PARIS — The Paris stock exchange had another record performance last week, with the CAC index breaking through the previous high of 404.9 set April 25 to finish at 407.5 on Friday.

French shares have risen 50 percent in four and a half months and 100 percent since early October.

Investors reacted favorably to the Tokyo summit meeting of the seven leading industrialized democracies, which ended May 6. They cited in particular the willingness of the seven leaders to strengthen economic and monetary cooperation and to reduce interest rates further.

Analysts maintained that lower rates will reduce inflation further and help improve corporate financial positions.

The market gained 1.4 percent on Monday, helped by purchases by foreign investors. On Tuesday the index was up another 2.6 percent.

It rose 0.75 percent to 403.6 on Wednesday in active trading ahead of the Ascension Day holiday on Thursday. On Friday the market continued to climb, closing 0.8 percent higher at record levels.

Singapore

SINGAPORE — Prices rose slightly on the Singapore stock exchange last week, with most attention focused on trustee stocks as the Central Provident Fund scheme for investments gained momentum.

The SES all-share index inched up 1.74 points to 209.20 while the Straits Times industrial index gained 11.03 points to 584.41.

Volume for the week rose 42 percent with value improving to 58 million Singapore dollars.

Promet, with a turnover of 2.36 million units, was the most active share; it dropped 3 cents to 23 cents. Sime Darby was second most active with a turnover of 1.39 million units, followed by TDM with 1.32 million units.

Some trustee stocks with institutional buyers rose steadily throughout the week, but Malaysian stocks closed the week mixed because of uncertainty over the political situation in Malaysia.

Tokyo

TOKYO — Despite the steep appreciation of the yen against the dollar, share prices soared over a holiday-shortened week with the key barometer, the Nikkei index, hitting record highs in five consecutive sessions.

The Nikkei average of 225 issues closed Friday at 16,194.98 yen, for a hefty gain of 326.54 yen for the week. It had gained 178.56 yen the previous week.

Volume rose to an average of 747.5 million shares a day, compared with the previous week's 516.6 million.

There were only four trading days last week, with the market closed Monday for a national holiday and Saturday for a regular monthly recess.

The Nikkei average passed the 15,900-yen level for the first time on Tuesday, then passed the 16,000-yen level Thursday.

Mitsukoshi Department was the week's most active stock, rising to 1,080 yen on Friday from 890 yen the previous week. Other leading performers included Dainippon Print and Nippon Steel.

Market analysts predicted that the volatile but bullish trend would continue this week, with low interest rates prompting investors to shift from bonds to stocks.

Zurich

ZURICH — Swiss issues in general gained on the stock market here last week while those of foreign companies ended mixed.

Among banks, UBS rose 200 points to 5,650. Finance companies were irregular, as Elektrowatt was down 45 points to 3,780 while Motor Colombus rose 60 points to 1,740.

Insurance companies were firmer, notably Zurich bearer shares, which gained 535 points to 8,760.

Industrial issues were hesitant, although Brown Boveri finished the week 235 points stronger at 2,285. But Alusuisse bearer shares were down 30 points to 730.

In the food section, Nestlé bearer shares were off 100 points at 8,300 while Nestlé nominals gained 80 to finish at 4,650. Chemicals were well sustained, especially Ciba Geigy, which ended the week 80 points stronger at 3,680.

Among foreign stocks, IBM fell, as did Volkswagen and Degussa of West Germany and Philips of the Netherlands.

Nervous Trading Ends Week of Record Sales

By Kenneth N. Gilpin
New York Times Service

NEW YORK — A day of light and nervous trading closed out a big week for the credit markets, which in the three previous trading sessions absorbed a record $27 billion worth of new Treasury notes and bonds at the lowest interest rates in more than 10 years.

Bond prices closed little changed on Friday after recovering from an early, sharp drop.

The week's overall performance came as a pleasant surprise to some

U.S. CREDIT MARKETS

analysts, but left a sense of disquiet among some dealers. They are faced with the challenge of paring down their inventories, particularly of the Treasury's new 30-year issue, through sales to retail customers. At the moment, buying interest is hard to find.

"I like to hear the market, to hear the inquiry flow that comes in to this firm," said one government bond trader. "And the volume of inquiries during the whole refunding period has been pathetic."

Traders were particularly worried about how they would cope with the new 30-year, 7.25-percent issue, in part because Japanese purchases of the new security, auctioned on Thursday, were about double what had been expected. Some analysts said a large number of those bonds are likely to wind up back in the market fairly soon.

"We have heard rumors that the Japanese bought somewhere between $3 billion and $6 billion at the auction," said Robert A. Brusca, senior vice president and chief economist at Nikko Securities Inc. "But the yield that came in on this bond was less than what most Japanese investors were seeking. If they did in fact buy that much, they won't be able to sell them at home."

William N. Griggs, a principal in the financial consulting firm of Griggs & Santow Inc., was more optimistic. "This was a very big refunding," he said, "and all of the issues got placed reasonably well. That tells me that this is a market that hasn't lost its confidence, and that the inventory has not overwhelmed people."

Early Friday, prices, particularly of longer-term issues, were down by a point or more, as traders continued to react negatively to the news of the unexpectedly large increase in the basic U.S. money supply that was released late Thursday. But buying interest returned later in the session.

Late in the day, the 30-year issue was quoted at 98 22-32 to yield 7.36 percent, virtually unchanged from the average 7.37-percent yield it brought at auction. The Treasury sold a record $9 billion of the 30-year bonds on Thursday.

Short-term interest rates showed little change. Near the close, three-month Treasury bills were quoted at a bid of 6.06 percent, up 2 basis points. One-year bills, meanwhile, were quoted at 6.08 percent, up a basis point.

U.S. Consumer Rates
For Week Ended May 9

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	7.36 %
Money Market Funds Donoghue's 7-Day Average	6.50 %
Bank Money Market Accounts Bank Rate Monitor Index	6.38 %
Home Mortgage FHLB average	10.57 %

BONDS: *Sterling Doubts*

(Continued from first finance page)

December. The only other route for foreigners to invest in Korean shares is to buy into an investment fund.

Daewoo helped excite demand for the issue by holding a presentation for investment managers in London on Friday. A manager who attended the briefing said Daewoo's president, K.H. Lee, forecast a 57-percent surge in net profit this year from what he described as an artificially depressed result in 1985. That forecast did not appear in the official offering document.

"I think it will be a solid issue," said Ilyas Khan, a Korea specialist at Schroder Securities in London. Despite the political worries, "you just can't ignore the place," he said.

But Charles Helmore, a Far East specialist at Foreign & Colonial, called Daewoo "rather expensive" and said he believed that the investment funds were a "better way to play the Korean market."

In the less turbid setting of Switzerland, Swiss Bank Corp. announced a novel 15-year issue whose main risk appeared to be that it would cause headaches among traders trying to value it. The issue has not only two currencies, by now a humdrum feature, but also two coupons.

RJR Nabisco Inc., created by last year's merger of R.J. Reynolds and Nabisco Brands, is raising 200 million Swiss francs through the issue. Each bond of 5,000 Swiss francs is to be redeemed for $3,000. For the first 12 years, the bonds will pay interest of 5⅝ percent over the Swiss franc amount; for the final three years, they will pay 10 percent over the dollar amount.

Investors have the option to cash in after 12, 13 or 14 years, and the issuer can call the bond only for tax reasons.

The point of all this complication, Swiss Bank Corp. said, is that it gives the investor two opportunities. For one thing, the investor would gain on the currency switch as long as the dollar is worth at least about 1.67 Swiss francs. If the dollar falls further than that, the investor would suffer a currency loss. On Friday, the dollar closed in New York at about 1.82 francs.

For another, the investor will have the chance to decide a dozen years from now whether a 10-percent coupon on dollar paper is attractive or whether it is time to demand repayment.

Interfirst Corp. Said to Seek Out Possible Credit

Reuters

NEW YORK — Bankers and money market sources say that Interfirst Corp. of Dallas has sounded out leading U.S. banks to see whether they would provide it with additional credit lines in the event of funding problems.

A spokesman for Interfirst, the third largest bank holding company in Texas and the 19th biggest in the United States, on Friday dismissed the rumors as "completely untrue."

The sources said Interfirst could experience funding problems as a result of heavy losses stemming from its exposure to the troubled oil and gas industry. One banker said Interfirst was looking for "substantial" liquidity assistance.

Interfirst is regarded by banking analysts as a solid institution. But its net profit in the first quarter dwindled to $2.1 million from $15.1 million a year earlier as loan-loss provisions were increased to take account of the impact that tumbling energy prices were having on the quality of its loan portfolio.

WOOD: *The Great U.S.-Canadian Lumber Dispute*

(Continued from first finance page)

ie Americans' hard line, particuırly since it won the fight in 1983, hen the Commerce Department ıled that a countervailing duty as not merited. Prime Minister rian Mulroney has said that the sue must be dealt with in the roader trade liberalization talks t to begin May 21.

The U.S. industry says the probm is too serious to wait for the solution of talks that may take as ng as four years. In the past deade, the Canadian share of the .S. market has grown to more an a third from less than a fifth. he American companies say the sult has been the failure of 50 to 00 American sawmills a year.

Even separate talks on lumber eld in recent months, with the fth meeting set for May 14 in Vashington, have been unable to solve the problem, American industry officials note.

"There is no question that they an continue to take as much maret share from the United States as ey choose to," said William ange, spokesman for the Coalion for Fair Lumber Imports, the ıdustry group fighting to stem hat it sees as a flood of subsidized mber. "Slowly but surely they are ping to wipe out the whole industy."

John Ragosta, a lawyer for the oalition, said the group simply ould not afford to wait. He said the Canadian government's insistence on waiting for broad free-trade talks would be superseded by the petition to the ITC.

"What the government did was dig itself into a unilateral hole, which we're now going to unilaterally bury them in," Mr. Ragosta said.

The issue, in essence, is Canada's system of setting the price that companies pay for standing timber, called stumpage, from government lands. Canada sets the price administratively, while the United States uses an auction system to sell stumpage from its lands. This has meant that Canadian costs are $50 to $70 less for each 1,000 board feet than in the United States, the American industry says.

Mr. Lange said this meant that 1,000 feet (305 meters) of 2-inch-by-4-inch (5-by-10-centimeter) timber could be sold in British Columbia for around $185, compared with $235 for similar grades in Montana and Idaho. With transportation costs and other factors, this would work out to be a $15 to $30 price advantage for Canadian companies in most regions of the United States, he said.

The Canadians object to characterizing the administrative price system as a subsidy. For one thing, they say, the lower prices charged for stumpage are justified because logging costs are higher in Canada, a claim the Americans reject. In fact, the Canadians contend, they have no price advantage in most U.S. markets. Some premium lumber may even sell for more than similar U.S. grades, said T.M. Apsey, president of the Council of Forest Industries in British Columbia.

The Canadians say their market penetration can largely be explained by the lower value of the Canadian dollar, which has made the lumber imports more attractive.

In any event, the Canadians say, the problem should become less pressing because lumber prices are up this year, in part because new housing construction is strong.

The crux of the Americans' problem, the Canadians say, is that they overbid extensively for timber stocks in Washington and Oregon in the late 1970s and early 1980s. Prices then plunged instead of increasing as the Americans had expected.

Thus, most companies in the Pacific Northwest states now have a liability exceeding their net worth, said Jaak Puusepp, vice president of the Vancouver securities firm of *Pemberton Houston Willoughby Inc.*

But a number of developments appear to be working against the Canadian position, with even Canadian timber executives now expecting some sort of duty:

- Clayton K. Yeutter, the U.S. trade representative, in April called the Canadian pricing system an unfair trade practice, a new Reagan administration position.
- Recent Commerce Department decisions have taken a more expansive view than in the past toward labeling as an unfair subsidy foreign government aid of natural resource industries.
- The Omnibus Trade Bill recently passed by the U.S. House Ways and Means Committee contains language that would specifically find a pricing system like Canada's for natural resources to be an unfair subsidy.

Peter Bentley, chairman of Canfor Corp., a major Vancouver-based lumber producer, said he expected "a nominal tariff."

But from what they view as their new position of strength, American lumber executives are asking for far more than nominal action. They want a $50- to $70-rise in the price of 1,000 board feet of Canadian lumber. Whether that is accomplished through a tax imposed by Canada — a possible outcome of the continuing lumber talks — or a tariff set by the United States is immaterial, they say.

"What the Americans are after, in the final analysis, is a price increase, pure and simple," Mr. Apsey said.

Hong Kong Banks Cut Prime Interest Rates

Agence France-Presse

HONG KONG — Hong Kong . Shanghai Banking Corp. and tandard Chartered Bank will reıce their prime lending rate from to 7½ percent on Monday.

The Hong Kong Association of anks said Saturday that its memers also would cut their rates for ong Kong dollar deposits by a uarter of a percentage point cross the board on Monday.

يـــوبـاف
U.B.A.F.

UNION DE BANQUES ARABES ET FRANÇAISES

Balance-Sheet after appropriation as at December 31, 1985

ASSETS	French Francs	Equivalent U.S. $
Cash on hand, Central Banks, Treasury and postal accounts	1,607,786,397	212,842,031
Banks and other financial institutions	29,496,811,121	3,901,178,564
Treasury bills and bills purchased outright or under resell agreement	3,162,518,428	418,267,217
Loans to customers	12,558,340,243	1,660,936,416
Customers' current accounts, overdrafts	726,174,895	96,042,176
Cheques and bills for collection	166,052,753	21,961,745
Accrued receivable, prepaid expenses and miscellaneous	953,915,654	126,162,631
Marketable securities	1,423,522,477	188,271,720
Investments in subsidiaries and affiliates	65,205,123	8,623,876
Subordinated loans	165,000	21,823
Fixed assets	115,113,569	15,224,649
Total Assets	50,275,605,660	6,649,332,848

LIABILITIES	French Francs	Equivalent U.S. $
Central Banks, Treasury and postal accounts	2,786,232,440	368,500,521
Banks and other financial institutions	36,386,711,909	4,812,420,567
Bills sold outright or under repurchase agreement	2,128,520,900	281,513,147
Deposits from customers	3,382,864,597	447,409,681
Special savings accounts	2,736,601	361,937
Certificates of deposit	702,958,239	92,971,596
Accounts payable after collection	467,407	61,818
Interest payable, provisions and miscellaneous	2,052,579,009	271,469,251
Floating rate notes	441,373,375	58,375,000
Subordinated floating rate notes	756,100,000	100,000,000
Shareholders' subordinated loans	1,028,447,500	136,020,037
Reserves	206,613,683	27,326,238
Capital	400,000,000	52,903,055
Total Liabilities	50,275,605,660	6,649,332,848

The Annual General Meeting held on April 29, 1986 unanimously approved the balance-sheet and accounts for the year ended December 31, 1985, which showed net profits of FF 54 million against FF 51 million as at the end of the previous year.

The same meeting decided to distribute a dividend of FF 28,125,000 to be compared to FF 22,500,000 in 1984, and to transfer the remaining amount to the General Reserves.

In 1985, the capital was enhanced from FF 250 to 400 million by incorporation of a convertible loan amounting to FF 150 million and the Shareholders' funds of the Bank were increased by 18.3 % in comparison with the previous year, to reach FF 1,700 billion.

During this same fiscal year, U.B.A.F. bought a participation of 51 % in one of the UBAF Group banks incorporated in Hong Kong : UBAN International Limited, and decided to open in Osaka a second branch in Japan.

INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

TITLE	SALARY	EMPLOYER
ADMINISTRATOR		Int. Chamber of Commerce.
MARKETING COMMUNICATIONS	Good	ITT.
HEAD OF THE PUBLIC RELATIONS SERVICE	Good	ESA.
OPERATION MANAGER	Excellent	Digital.
FINANCE OFFICER	Good	ILCA.

*If you haven't seen last week's **INTERNATIONAL POSITIONS** rubric, please ask for a free copy: Max Ferrero,*
INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France.
Tel: (1) 46.37.93.81. Telex: 73595

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Close	Net Ch'ge
A					
A&M Fd	87	13	12¾	12¾	−¼
ABS .40 2.4	12	17	17	17	
ADC s	2369	18½	17¾	18½	+¾
AEC .32 2.7	21	11¾	11¾	11¾	+¼
AEL	449	14	13	13¾	+¼
ALC Cm	186	8¾	7¾	8¼	−½
ARC Int	1811	5¾	4¾	5¾	+¾
ASK	3472	12¾	12	12¾	−¾
AST	4302	21¾	20¼	20¾	
[illegible]					

[illegible]

(Continued on next page)

American Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
	May	Jun	May	Jun
[illegible]				

Total Volume: 231,197
Open Interest: 3,404,139
r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday.

Option & price	Calls		Puts	
	May	Jun	May	Jun
[illegible]				

Total Volume: 514,460
Open Interest: 6,134,322
r—Not traded. s—None offered. o—Old.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

[illegible]

Boesky Buys 9.8% Stake In Sperry as Investment

Compiled by Our Staff From Dispatches

WASHINGTON — The New York arbitrager Ivan Boesky and companies he controls have acquired a 9.8-percent stake in Sperry Corp.

In a filing with the U.S. Securities & Exchange Commission, Mr. Boesky said Friday that he acquired the stake over the preceding four days for investment purposes. Sperry Corp. is the subject of a $70-a-share hostile tender offer from Burroughs Corp., another giant U.S. computer company.

Mr. Boesky, one of the best-known and successful risk arbitragers, said he paid $364 million for the stake and would have to pay another $3.4 million to exercise all call options. Arbitragers specialize in buying the stocks of companies that are likely takeover candidates.

At that price, Mr. Boesky had a paper profit of $19.6 million on Friday on his 5.5 million Sperry common shares and call options. With speculation mounting that Burroughs or someone else would raise the bidding soon, Sperry stock advanced well beyond the $70 offering price on Friday, ending the day as the most active issue on the New York Stock Exchange, up $1, at $73.50, with nearly 4.6 million shares changing hands.

Burroughs offered to acquire 51 percent of Sperry, or 33 million shares, for $4 billion last Monday, then sweetened its bid to $4.06 billion on Wednesday.

Jonathan Fram, an analyst with Bear, Stearns & Co., said arbitragers, including Mr. Boesky, were expecting the offer to increase or a takeover fight to ensue.

But Mr. Fram said he expected a different outcome. "I wouldn't be surprised if they take the deal," he said. *(Reuters, NYT)*

Dogfight Starts for U.S. Jet Contract

By John H. Cushman Jr.
New York Times Service

WASHINGTON — Two giant aerospace companies have delivered to the government their proposals for building billions of dollars worth of combat planes designed to protect U.S. airspace against invading bombers.

General Dynamics Corp. and Northrop Corp. each turned in thousands of pounds of documents on Friday to support their contentions that they offered the cheapest aircraft capable of meeting the air force's need for 270 air defense fighters.

Northrop is offering its F-20 Tigershark, while General Dynamics proposed versions of its F-16 Falcon, a plane already in wide use by U.S. and foreign forces.

General Dynamics officials said they had presented to the U.S. Air Force "a family of fighters," in effect offering the government a choice among relatively inexpensive planes with less powerful components and more advanced versions at somewhat higher prices.

Analysts said that it might be able to offer a plane for less than $10 million, a price that Northrop, which has offered only a single version of its plane, could be hard-pressed to match.

But the air force will take performance into consideration as well as unit price, and will also weigh lifetime operating costs. Northrop emphasizes what it says is the low operating cost of the F-20, which incorporates technology meant to make it easy to maintain and repair.

General Dynamics counters that its plane is more familiar to pilots and mechanics alike and that the air force has already made the investments needed to keep the planes in service. The company, which last year undercut Northrop in a separate competition to sell a small number of aircraft to the navy, was criticized at the time for setting the price unrealistically low.

According to David Wheaton, the company's vice president of marketing, General Dynamics on Friday offered several variants of the Falcon, including versions of the F-16A and the F-16C augmented by various engines, radar devices and other avionics. The F-16C is the version most commonly purchased by the air force, but the company now has tailored that plane specifically for the job of air defense in an effort to hold costs down in the current competition.

To ensure that General Dynamics does not unfairly cut the price of its planes, Congress specifically instructed the air force to make each bidder stay in line with "the cost base of all variants of such aircraft procured by the air force."

"We're not going to sell our aircraft below cost," Mr. Wheaton said. "We cannot afford to do that."

Congress demanded last year that the air force run a competition for a portion of its fighter needs over the next five years. Lawmakers argued that the competition would drive down the costs of buying the planes. Some legislators, especially Californians, also were eager to ensure Northrop an opportunity to sell its Tigershark to the air force.

Northrop, based in California, has struggled for years to find a customer for its newly designed F-20, originally developed with foreign markets in mind. Without a commitment from the United States to buy the plane, though, foreign air forces have shied away from the Tigershark.

By law, the air force must select one of the planes by July 1 and award a contract by Sept. 1. In testimony last week, however, air force officials said this schedule probably could not be met.

Members of the Senate Appropriations Committee's defense subcommittee indicated on Thursday that they would not object to delaying the contract until November, since this would allow Congress to shift $200 million earmarked for this year's purchase to the 1987 budget. The committee is attempting to cut $20 billion from next year's military budget request.

Northrop is expected to oppose any delay, since it is continuing to invest heavily in the Tigershark.

Northrop has written off close to $1 billion in development costs for the Tigershark since 1980, without selling a single plane.

Wolfgang Demisch, an aerospace analyst at First Boston Corp., predicted that, if Northrop lost out to General Dynamics, it would "pull the plug" on the costly F-20 program.

India, Consortium Sign Gas-Pipeline Contract

Agence France-Presse

NEW DELHI — India and a French-Japanese consortium on Sunday signed a $600-million contract for building a pipeline to supply natural gas to northern India.

The government-owned Gas Authority of India Ltd. and the consortium, led by Spie-Capag of France, signed the contract in New Delhi. Spie-Capag's partners are Nippon Kokan KK and Toyo Engineering Corp. of Japan.

Mexico May Shut State-Owned Firm

The Associated Press

MEXICO CITY — The government has begun bankruptcy proceedings against Fundidora Monterrey, the first such move against a government-owned company, according to press reports.

The Mexico City newspaper El Universal reported Friday that the government would take similar steps in the coming weeks to shut down other government-owned companies that have little prospect of regaining financial health.

Fundidora Monterrey, which manufactures sheet metal, tubing and laminated products, needs 90 billion pesos ($173 million) to continue operations this year. It owes $390 million in foreign debts.

Last Week's NYSE

NYSE Most Actives

Vol.		High	Low	Last	Chng.
Sperry	317240	74	55½	73½	+18½
PhlPt s	75228	10⅝	9⅝	10½	+ ⅜
IBM	73192	155⅝	148⅛	149⅞	−5¾
AT&T	70401	25½	24⅛	25⅛	+ ⅝
Mobil	67892	30⅞	29⅜	30⅛	+ ¾
Goodyr	60043	32	30⅜	31⅝	+ ⅝
PhilaEl	58287	18⅝	17⅝	17⅞	+ ⅛
Exxon	57555	57⅞	57⅛	58¾	+1⅛
Viacom	53469	73⅝	62⅝	72	+9
OcciPet	51921	28⅝	25⅛	28	+2⅛
Chevrn	50830	40⅞	37⅞	40⅛	+2¼
AEIPw	48287	24⅜	24⅛	24⅝	[illegible]
GMot	48704	80⅜	77¼	77⅞	+ ½
Oakind	45816	1⅝	1¼	1⅝	+ ⅛
BlackD	44608	23⅝	20⅝	23	+2⅝
AmExp	44500	61⅝	57⅞	58	− ⅞
Revco	44300	37⅜	33⅝	37⅛	+3⅛
Sears	43917	46⅞	43⅛	45⅞	+2½
K mart	42838	49⅞	45⅛	49⅝	+3⅝
Sooo	41555	37⅜	27⅜	37⅛	+8⅝
ConsEd	40432	43⅝	42	42⅝	+ ⅝
Texaco	39720	33⅝	31⅝	32⅞	+1
USSteel	38939	21¼	19⅞	21⅛	+1⅛
Chrys s	38677	40⅝	37⅛	38⅝	+1⅛
EKodk	38180	57½	55⅝	56⅝	+ ⅜

NYSE Sales

	Sales Vol.
Total for week	624,940,800
Week ago	692,840,000
Year ago	538,320,800
Two years ago	439,550,000
Jan 1 to date	13,133,073,323
1985 to date	9,845,570,000
1984 to date	8,575,840,000

NYSE Diaries

	This Wk	Last Wk
Advanced		1246
Declined		719
Unchanged		250
Total Issues		2215
New Highs		170
New Lows		32

Last Week's AMEX

AMEX Most Actives

Vol.		High	Low	Last	Chng.
Wickes	62656	6⅛	5⅜	6⅛	+ ⅜
FAusP n	38740	11⅝	11	11⅛	+ ⅛
DomeP	27582	1⅜	1	1⅛	− ⅛
AmExp wt	23182	4⅝	3⅝	4⅜	
BAT	22195	6⅝	5⅞	6	− ⅛
A xan pr	18641	50⅛	48	49⅞	+2⅛
FCapHd	17338	14⅝	12⅝	14⅝	+1⅝
WangB	10737	18⅛	17⅛	17⅝	− ¼
AmCbl n	9645	14⅛	14⅛	14⅛	
LorTel n	8952	26⅝	24⅝	25⅝	− ⅞
Greenm	7394	21⅝	19⅞	20⅛	−1⅛
Amdahl	6816	16⅞	15⅞	16	+ ⅛
VangTc	6576	14⅝	13⅞	14⅛	
AM Intl	6489	8	7⅜	8	+ ⅝
IntBknt	6351	6⅝	6⅛	6⅛	+ ⅛
TollPl g	6253	21⅜	19⅞	21⅜	+2⅛
DataPd	6164	18	15⅜	17⅜	+2
Maytlw	6068	30⅞	22	29⅝	+6⅝
HmeG n	5992	27⅞	26⅛	27⅛	+ ⅛
Resrt A	5958	75½	71	74½	+3½
AmExp un	5887	41⅜	41⅛	41⅜	
Husky g	5745	6⅝	6⅛	6⅛	+ ⅛
TIE	5465	9⅝	5⅛	9⅛	+ ⅛
TotPt wt	5403	6⅝	4⅝	6⅛	+1⅛
Consol	4654	5	4⅛	4⅝	+ ⅝

AMEX Sales

	Sales Vol.
Total for week	59,718,000
Week ago	66,440,000
Year ago	36,440,000
Jan 1 to date	1,308,030,000
1985 to date	800,770,000
AMERICAN BONDS a	
Total for week	15,321,000
Year ago	12,300,000

AMEX Diaries

	This Wk	Last Wk
Advanced		593
Declined		288
Unchanged		134
Total Issues		925
New Highs		85
New Lows		21

Treasury Bills

Figures as of close of trading Friday

Hi	Lo	Mat	Bid	Ask	Yld	Chg
7.84	5.62	May 15 86	5.97	5.91	5.99	+.03
7.84	5.37	May 22 86	5.44	5.36	5.44	+.07
7.53	5.45	May 29 86	5.29	5.23	5.31	+.11
7.32	5.39	Jun 05 86	5.44	5.38	5.47	+.05
7.63	5.77	Jun 12 86	5.80	5.76	5.87	−.19
7.31	5.74	Jun 19 86	5.86	5.82	5.94	+.05
7.26	5.72	Jun 26 86	5.75	5.71	5.82	−.04
7.31	5.78	Jul 03 86	5.98	5.94	6.07	+.03
7.44	5.80	Jul 10 86	6.01	5.99	6.13	
7.28	5.77	Jul 17 86	6.04	6.00	6.15	
7.27	5.72	Jul 24 86	6.04	6.00	6.16	+.01
7.26	5.75	Jul 31 86	6.02	5.98	6.14	+.03
7.67	5.75	Aug 07 86	6.05	6.03	6.20	+.01
7.17	5.74	Aug 14 86	6.00	5.98	6.16	
7.17	5.73	Aug 21 86	6.02	5.98	6.18	+.01
7.06	5.77	Aug 28 86	5.98	5.94	6.13	+.04
7.64	5.64	Sep 04 86	6.02	5.98	6.18	+.08
6.60	5.76	Sep 11 86	6.04	6.00	6.21	+.05
6.56	5.78	Sep 18 86	6.06	6.02	6.24	+.03
6.32	5.77	Sep 25 86	6.04	6.02	6.24	+.03
7.52	5.83	Oct 02 86	6.09	6.07	6.31	+.04
6.19	5.82	Oct 09 86	6.09	6.07	6.31	+.04
6.19	5.81	Oct 16 86	6.08	6.05	6.31	+.04
6.21	6.06	Oct 23 86	6.10	6.08	6.34	+.04
7.51	5.78	Oct 30 86	6.10	6.06	6.33	+.05
6.07	6.05	Nov 06 86	6.08	6.06	6.33	+.05
7.41	5.83	Nov 20 86	6.09	6.05	6.35	+.02
7.40	5.76	Dec 24 86	6.07	6.03	6.32	+.06
7.27	5.83	Jan 22 87	6.08	6.04	6.38	+.04
7.14	5.83	Feb 19 87	6.13	6.11	6.43	+.04
6.59	5.82	Mar 19 87	6.08	6.04	6.40	+.01
6.25	5.79	Apr 16 87	6.12	6.10	6.46	+.05

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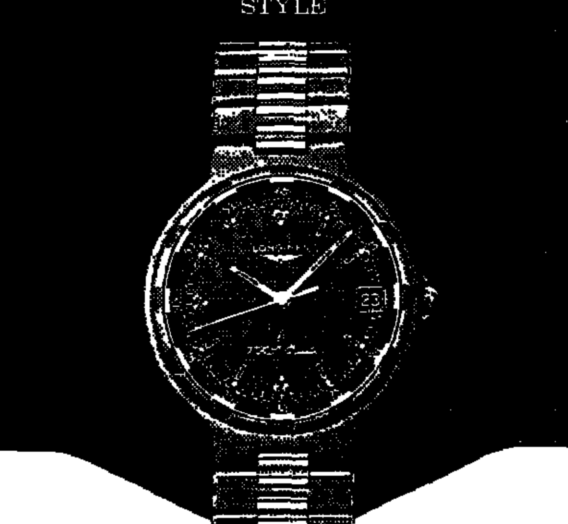
Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

[illegible]

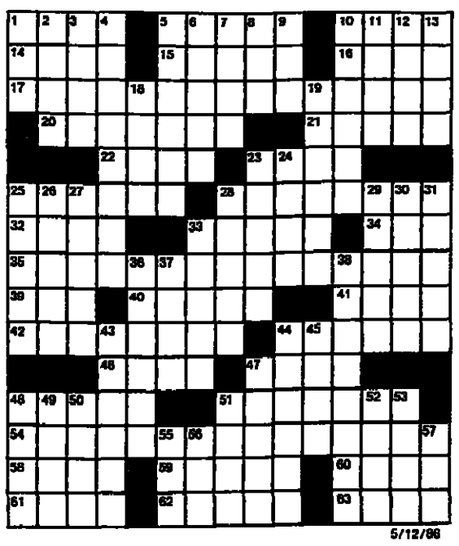
NL—No load (sales charge). †—Previous day's quote. r—Redemption charge may apply. x—Ex dividend



Conquest VHP

Very High Precision

Conquest VHP (for Very High Precision) is probably the world's most advanced wrist watch. *Its temperature-compensated quartz movement* can vary by no more than about one minute in five years, making it five to ten times more accurate than conventional quartz watches.



5/12/86

ACROSS

1 Pear-shaped instrument
5 Handled adversity
10 Angers
14 A—— Able
15 John Quincy ——
16 Guided missile
17 Canine choice
20 Fat fighters
21 Rag or rib
22 Decays
23 ——-majesté
25 Italians, e.g.
28 Dropouts of a sort
32 So be it
33 Bailey or Buck
34 Hush-hush org.
35 Equine choice
39 Locale of Fr., Ger., etc.
40 Chutzpah
41 She in Paree
42 Exhibition riding
44 Barnum's exit
46 Askew
47 Kind of tissue
48 Sheer fabric
51 Describing Sears Tower
54 Feline choice
58 Diving bird
59 Varnish resin
60 And others: Lat. abbr.
61 Slips
62 Lascivious man
63 Dagger

DOWN

1 —— Vegas
2 Like some cars
3 Monkey or tree
4 Breaking and ——
5 Insert marks
6 Aromas
7 Golf goals
8 R.R.E. ruler
9 Brit. award
10 Impoverished
11 Rio girl
12 Makes do
13 Parched
18 Collar or college
19 Reflexive or intensive pronoun
23 Rental document
24 Not quite tan
25 Disabled
26 Love, in Lyon
27 —— Haute, Ind.
28 Start a tennis game
29 School in Dijon
30 "... thy rocks and ——"
31 "Well, for goodness ——!"
33 Scup or pinfish
36 Response
37 Close by
38 Searched around
43 Beauty parlors
44 Napoleon relative
45 Vex
47 —— Davis Jr.
49 Farewell to Herculaneum
49 —— about (approximately)
50 Operatic prince
51 Allowance for waste
52 Pharaoh after Ramses I
53 Nicholas, e.g.
55 Roman bronze
56 Biographer Winslow
57 Wapiti

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DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

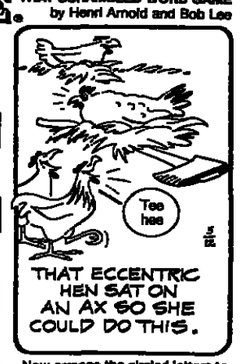
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

WARBL

EMYTH

INTIEF

HAPUNC



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "□□□□□-□□"

(Answers tomorrow)

Friday's Jumbles: LOOSE CLOVE BRUTAL POPLIN
Answer: That cemetery was under heavy security because of this—ALL THE "PLOTS" THERE

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	29	84	18	64	fr
Amsterdam	14	57	10	50	cl
Athens	21	70	15	59	cl
Barcelona	22	72	12	54	fr
Belgrade	20	68	7	45	cl
Berlin	16	61	13	55	c
Brussels	15	59	11	52	cl
Bucharest	19	66	10	50	sh
Budapest	18	64	8	46	c
Copenhagen	13	55	9	48	c
Costa Del Sol	26	79	12	54	fr
Dublin	12	54	9	48	sh
Edinburgh	13	55	9	48	cl
Florence	27	81	9	48	fr
Frankfurt	18	64	14	57	cl
Geneva	18	64	8	46	fr
Helsinki	12	54	4	39	cl
Istanbul	18	64	8	46	fr
Los Palmas	25	77	18	64	fr
Lisbon	27	81	15	59	fr
London	14	57	10	50	c
Madrid	28	82	10	50	fr
Milan	28	77	13	55	fr
Moscow	13	55	0	32	fr
Munich	15	59	11	52	r
Nice	20	68	13	55	fr
Oslo	10	50	9	48	r
Paris	18	64	11	52	cl
Prague	16	61	11	52	c
Reykjavik	4	39	0	32	fr
Rome	22	72	10	50	fr
Stockholm	9	48	7	45	r
Strasbourg	21	70	13	55	cl
Venice	23	70	12	54	cl
Vienna	21	70	13	55	cl
Warsaw	19	66	4	39	cl
Zurich	17	63	9	48	cl
MIDDLE EAST					
Ankara	10	50	3	37	cl
Beirut	—	—	—	—	na
Damascus	25	77	8	46	fr
Jerusalem	18	64	7	45	fr
Tel Aviv	22	72	12	54	cl
OCEANIA					
Auckland	19	66	13	55	fr
Sydney	19	66	15	59	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	26	79	cl
Beijing	19	66	12	54	r
Hong Kong	25	77	24	75	sh
Manila	34	93	30	86	cl
New Delhi	36	97	26	79	fr
Seoul	12	54	17	54	fr
Shanghai	21	70	16	61	c
Singapore	31	88	26	79	c
Taipei	29	84	24	75	c
Tokyo	19	66	15	59	sh
AFRICA					
Algiers	25	77	8	46	fr
Cairo	26	79	16	61	fr
Cape Town	20	68	14	57	cl
Casablanca	26	79	16	61	fr
Harare	22	72	11	52	fr
Lagos	32	90	24	79	cl
Nairobi	21	70	14	61	c
Tunis	23	73	11	52	fr
LATIN AMERICA					
Buenos Aires	20	68	11	52	fr
Caracas	—	—	—	—	na
Lima	23	73	17	63	fr
Mexico City	26	79	12	54	fr
Rio de Janeiro	28	82	20	68	fr
NORTH AMERICA					
Anchorage	5	41	1	34	sh
Atlanta	26	79	15	59	pc
Boston	13	55	8	46	cl
Chicago	23	73	10	50	cl
Denver	26	79	6	43	sh
Detroit	23	73	8	46	pc
Honolulu	29	95	21	70	pc
Houston	30	86	20	68	pc
Los Angeles	21	70	14	57	pc
Miami	28	82	19	66	pc
Minneapolis	23	73	12	54	pc
Montreal	17	63	5	41	pc
Nassau	30	86	20	68	pc
New York	20	68	10	50	pc
San Francisco	18	64	9	48	fr
Seattle	12	54	5	41	pc
Toronto	16	61	3	37	pc
Washington	25	75	7	45	pc

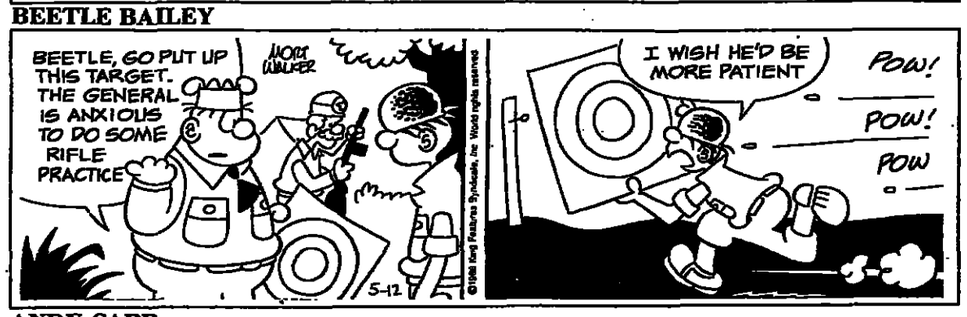
cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. 18 — 12 (64 — 12). LONDON: Cloudy. Temp. 13 — 11 (59 — 52). MADRID: Fair. Temp. 28 — 11 (82 — 52). NEW YORK: Partly cloudy. Temp. 18 — 9 (64 — 48). PARIS: Fair. Temp. 21 — 13 (70 — 55). ROME: Fair. Temp. 22 — 13 (72 — 55). TEL AVIV: Hot. ZURICH: Fair. Temp. 18 — 10 (64 — 50). BANGKOK: Thunderstorms. Temp. 33 — 26 (91 — 79). HONG KONG: Thunderstorms. Temp. 25 — 25 (82 — 77). MANILA: Fair. Temp. 34 — 27 (93 — 81). SEOUL: Foggy. 19 — 9 (66 — 48). SINGAPORE: Thunderstorms. 32 — 27 (90 — 81). TOKYO: Showers. Temp. 19 — 13 (66 — 55).

PEANUTS

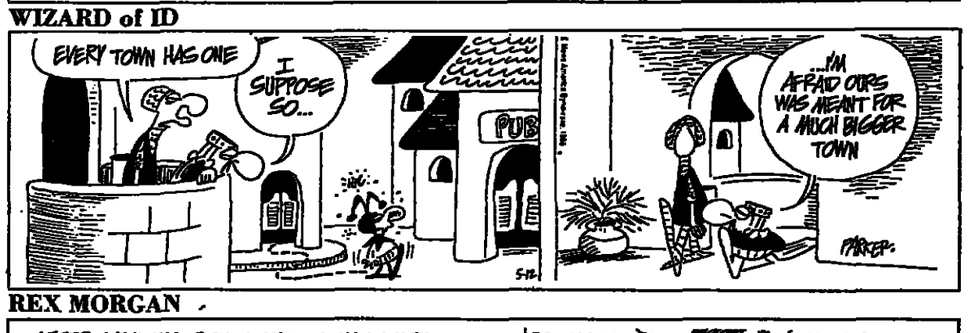
BLONDIE

BEETLE BAILEY



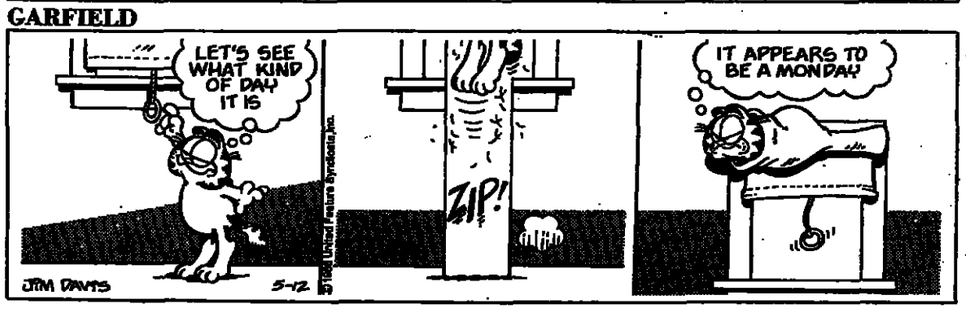
ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD



BOOKS

TALKING ANIMALS AND OTHER PEOPLE

By Shamus Culhane. Illustrated. 463 pages. $24.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N. Y. 10010.

Reviewed by John Gross

SHAMUS CULHANE has had a long and varied career in animated movies, dating from 1924, when he was 15. His first job consisted of punching holes in drawing paper, but by 1930 he had graduated to the ranks of the animators, developing his skills under Max Fleischer in the heyday of the Fleischer Studio's celebrated sexpot, Betty Boop. He went on to work for Walt Disney and other leading studios, and was a pioneer of television animation.

At the end of his memoirs, "Talking Animals and Other People," is a list of more than 100 films on which he worked as animator, producer or director. Along with some undisputed classics — "Snow White and the Seven Dwarfs," "Pinocchio" — they include such less remembered items as "Dippy Diplomat" and "Abou Ben Boogie," "Technocracked" and "Mousie Come Home."

"Talking Animals and Other People" is the history of his career, rather than a full fledged autobiography. We learn relatively little about his personal life but a great deal about colleagues, working conditions and the ups and downs of the industry. Much of what the book reveals is disagreeable, and one of its great merits is that it offers such an unsparing view of a world that was all too often subject to strain, squalor, brutal internal politics and harsh labor relations.

Culhane comes across as a pugnacious personality and an unusually honest one. If he sums up somebody as a "pompous pipsqueak" or a "fatmanoid aberration," you feel he generally has good grounds for doing so. He writes with corresponding warmth about the many colleagues he liked and admired.

Along with its account of life off camera, the book is particularly valuable for the amount of attention it devotes to questions of craft and technique. Culhane is somewhat defensive about this, wondering whether his periodic excursions into the mechanics of animation may not be "about as welcome as a piece of walnut shell in a fruitcake." But he has the knack of explaining technical matters clearly; most of the points he discusses are of considerable interest in themselves (the ways in which a new animator can remodel a cartoon character, for example), and many of them go well beyond mechanics. He is equally concerned with aesthetic issues, from the use of backgrounds inspired by Victorian illustrators to the lessons to be learned from the filmmaking innovations of an Eisenstein or a Pudovkin.

The first commercial film cartoons were produced only a few years before he entered the industry, and his early chapters describe what was still the rude childhood of the art. The studios (mostly in New York) were primitive. So were the films — some basic pictorial conventions had not yet been mastered, and uninspired slapstick was the order of the day.

From the moment he went to California to work for Disney in 1935 he encountered a different world. There was the actual studio, for a start — "bright tints of raspberry, light blue, and gleaming white" instead of the institutional brown and greens he had been accustomed to, and well-designed furniture instead of desks and chairs "that looked as if they had been stolen from the Salvation Army." There were also firm policies, a formidable degree of organization and high professional standards.

Culhane's first major break at the studio came when, greatly daring, he told Disney he would like to animate Pluto. He was given the job, and quickly established himself as the foremost Pluto specialist. It was in two of Disney's full-length movies, however, that he was to reveal his full virtuosity — in the visually complicated sequence in "Snow White" where the seven dwarfs march home from the mine singing "Heigh-ho, heigh-ho," and in "Pinocchio," particularly the unforgettable scene where the Coachman tells the Fox and Cat his plans for kidnapping small boys ("I takes them to Pleasure Island.").

On Disney himself, he delivers a mixed verdict. He had good reason to resent Disney's authoritarianism, and to know how unfair he could be, but he admires his dedication and his abilities too much to let fly against him. To an outsider his assessment seems just, and it is rounded out by some gripping reminiscences of life in the Disney studios — the mass hysteria that built up toward the end of the making of "Snow White," for instance, which manifested itself in a weeklong avalanche of pornographic drawings in which Snow White, the dwarfs and the witch performed feats "that Krafft-Ebing would never have dreamed of."

After World War II, Culhane set up his own company, making films for television, both educational movies (three of them in collaboration with Frank Capra) and commercials (the Ajax elves, the "come-up-and-smoke-me-some-time" Muriel cigar).

Before long, all the old studios apart from Disney's were beginning to close, and by the early 1970s TV animation had swept all before it. Culhane mourns the consequences, and writes scathingly about the abysmal level of television cartoons, but he discerns momentous possibilities in computer animation, which enables him to end on a note of optimism.

John Gross is on the staff of The New York Times.

Solution to Friday's Puzzle

B	O	C	A		S	P	A	I	N		A	E	R	O
A	M	O	S		P	A	U	L	I		S	T	I	R
R	I	C	H	A	R	D	L	E	E		T	H	I	N
S	T	A	G	G	A	R	D		C	R	E	A	S	E
			R	O	T	E		Y	E	A	R	N		
S	A	P	O	R		S	S	E		S	N	A	R	E
C	R	A	V	A	T		C	A	S	H		L	E	A
A	G	U	E		A	M	O	R	E		C	L	E	M
P	O	L		O	M	E	R		T	A	L	E	S	E
E	N	R	O	L		S	E	E		G	E	N	E	S
		E	D	A	M	S		S	T	A	N			
N	O	V	E	N	A		S	T	R	I	C	K	E	N
I	D	E	O		N	A	T	H	A	N	H	A	L	E
T	O	R	N		T	I	L	E	D		E	N	S	E
A	R	E	A		A	D	O	R	E		D	E	E	D

BRIDGE

By Alan Truscott

ONE of the "laws" of bidding is the guideline for players who take pre-emptive action: bid once and leave the rest to partner.

But circumstances were exceptional on the diagramed deal, as the South player's weak jump overcall of three clubs would normally be based on a better suit, but he was not inclined to be shut out of the auction.

When his partner raised clubs and the opponents located their spade fit, he broke the "law" and ventured five clubs. He had doubts when he saw the dummy, for he had three top losers, and it seemed likely that four spades would have failed.

Predictably, the helpful opening diamond lead was made and the queen was taken by the ace, a low diamond was ruffed, and the spade ace was ruffed out. Another low diamond was ruffed, and a heart was discarded on dummy's spade winner. So far, so good. A spade was ruffed, leaving this position:

NORTH
♠ —
♡ J 10 8 6 5 4
♢ —
♣ K

WEST
♠ J 8
♡ A Q 9
♢ —
♣ 9 4

EAST
♠ 10
♡ K 3
♢ 10 6
♣ A 7

SOUTH
♠ —
♡ 7
♢ K J
♣ J 10 8 5

South carefully led the diamond jack, and West failed to realize that it was essential to ruff. Had he done so, he would have had an opportunity to ruff South's remaining diamond winner.

As it was, the diamond jack won, and when South followed with the king, the ruff was too late.

NORTH
♠ K Q 6
♡ J 10 8 6 5 4
♢ 8
♣ K Q 6

WEST
♠ J 8 7 5 4 3
♡ A Q 9
♢ 4 2
♣ 9 4

EAST (D)
♠ A 10 9 2
♡ K 3
♢ Q 10 6 5 3
♣ A 7

SOUTH
♠ —
♡ 7 2
♢ A K J 9 7
♣ J 10 8 5 3 2

North and South were vulnerable
The bidding:

East	South	West	North
1 ♢	3 ♣	3 ♠	4 ♣
4 ♠	5 ♣	Pass	Pass
Dbl.	Pass	Pass	Pass

West led the diamond four.

SPORTS BRIEFS

Prost Takes Monaco Race 3d Straight Year

MONTE CARLO, (UPI) — World champion Alain Prost of France won Sunday's 44th Monaco Grand Prix auto race, finishing 25 seconds ahead of McLaren teammate Keke Rosberg of Finland and posting his third consecutive victory here.

Brazil's Ayrton Senna was third in a Lotus, 53 seconds behind, while Briton Nigel Mansell's Williams was fourth, 1:11 back. French Ligier drivers René Arnoux and Jacques Laffite were fifth and sixth respectively at one lap behind Prost.

The victory gave Prost, winner of the circuit's previous race two weeks ago at Imola, Italy, the lead in world championship standings with 22 points.

Prost completed the 78-lap, 259.584-kilometer (160.30-mile) race in one hour, 55 minutes, 41.060 seconds to tie Briton Graham Hill's record of three consecutive Monaco victories. It was Prost's 23d career triumph, leaving him four short of British driver Jacky Stewart's all-time 27.

Noah, Vilas Gain Final of New York Tennis

NEW YORK (AP) — Frenchman Yannick Noah upset top-seeded Ivan Lendl, 6-3, 7-5, here Saturday and advanced to a title-match showdown against Guillermo Vilas in tennis's Tournament of Champions. Vilas, 33, eliminated fellow Argentinian Martin Jaite, the No. 9 seed, 6-3, 6-3.

Noah, seeded fourth but at the top of his aggressive game, dominated from the baseline with high topspin groundstrokes and at the net with diving volleys. "I just couldn't do anything with the ball," said Lendl after only his second loss of the year. "I had trouble.... I did everything wrong."

"I played my natural game," Noah said. "I mixed it up, hit the ball with spin. I hit a lot of high balls and short ones. I play the way he doesn't like, which is my natural game." It was the first time Noah and Lendl had met on clay since Noah won a quarterfinal match in the 1983 French Open.

Bean Leader by 2 Strokes in Nelson Golf

IRVING, Texas (UPI) — Andy Bean, taking only partial advantage of ideal scoring conditions, shot a 3-under 67 Saturday to take a two-stroke lead over five players going into the final round of the Byron Nelson Classic golf tournament.

Heavy rains had swamped the Tournament Players Club course, so PGA officials moved the tees up and allowed the players to improve their lies. Bean's 67 was only routine, but it still left him in front with a three-day total of 9-under 201.

Tied for second were Craig Stadler (a 65), Bobby Wadkins (66), George Burns (63), Mark Wiebe (68) and Payne Stewart (67). Bernhard Langer shot a 66 to move to 6-under, where he was joined Mark Hayes on a 68.

A 68 on Friday had given Bean a 134 total and a one-stroke lead at the midpoint over Wiebe. Hayes, the first-round leader, shot a 72 Friday.

Quotable

● Louis Meyer, 83, three-time winner of the Indianapolis 500: "I won in 1936 with an average speed just above 109 miles per hour. Now they do that driving to the track." *(LAT)*

● Former Cleveland Indian Manager Frank Robinson: "In Cleveland, pennant fever usually winds up being just a forty-eight-hour virus." *(AP)*

● Bill Bergesch, general manager of the Cincinnati Reds, on the patience of the team's fans despite its poor start: "If this had happened in New York, they'd be tearing the stadium down." *(AP)*

U.S. Athletes Rethink Competing Abroad

By Christine Brennan
Washington Post Service

WASHINGTON — Davis Phinney, one of the country's best professional cyclists, was on a stopover in New York on his way to Majorca for the Tour of Spain when he got word to go no further.

His 7-Eleven team had just withdrawn from the race. The reason was terrorism: Team members were so concerned that they didn't want to ride. Phinney didn't argue. "There is no reason to get killed over a bike race," he said.

The cyclists were not alone in their fears. Scores of U.S. athletes, coaches and officials are canceling or reconsidering trips, rescheduling flights to avoid certain airports, changing their wardrobes to get "USA" off their backs and expressing concerns about traveling abroad this year.

"This really is a time of flux in international sports," said David Prouty, executive director of the U.S. Cycling Federation. "I think we all are sitting down, looking at the situation and trying to regroup."

The threat of terrorism, the recent U.S. attack on Libya and the nuclear accident in the Soviet Union have triple-teamed U.S. athletes and teams on the eve of a busy summer sports schedule.

The U.S. Tennis Association will not send junior players to the Italian or French Opens or to Wimbledon. The Phoenix Suns have scrapped plans to send coaches and players to Bulgaria for clinics this summer. Trips to Europe have been called off by the DePauw University football team, by women's basketball teams from Rollins College and the University of North Carolina and by an all-star field hockey team from two small Pennsylvania colleges.

At the last minute, a U.S. cycling team pulled out of the prestigious Peace Race through Soviet bloc countries last week. The starting line was in Kiev, 80 miles (129 kilometers) south of Chernobyl, site of the nuclear accident.

Sport for Understanding, a Washington-based organization that arranges international sports exchanges for teen-agers, has canceled all four of its trips to Italy.

Although an Aug. 3 National Football League exhibition game between the Chicago Bears and Dallas Cowboys still is scheduled for London's Wembley Stadium, the league is taking unprecedented security measures to ensure the participants' safety.

Joe Rhein, the NFL's director of administration, said talks have been held with Scotland Yard and the U.S. State Department.

Officials of both teams are concerned, but Chicago Coach Mike Ditka said last week that the game must go on. "I wish I had a machine gun to take on the plane," he said. "I agree totally with our country and its actions. I don't have any qualms about playing the game. What are they going to do? Bomb the stadium?"

□

When asked what he would think if terrorists did indeed bomb the stadium, Ditka said, "We'll all go down in history as martyrs fighting for a cause that was beyond the control of most of the American people. People will be writing about us for years if that happens."

Moments later, he added: "I get too excited about things sometimes."

Like the NFL contest, Ted Turner's Goodwill Games, set for July 5-20 in Moscow, apparently will go ahead as scheduled.

The U.S. team will be selected in competition in the next six weeks, but spokesmen in track and field said they have heard no complaints about going to the Soviet Union from prospective participants.

Many, however, are saying that nothing will prevent U.S. athletes from competing abroad.

Said Robert Helmick, president of the U.S. Olympic Committee and president of FINA, the international swimming organization: "Concerning terrorism, we see no new problems, no insurmountable problems. We have dealt with the situation since 1972." That year 11 Israeli athletes were killed by terrorists at the Munich Olympics.

"We will continue to do the things we've done in the past," he said.

But a couple of months ago, in an unprecedented move, the USOC sent a package of information on international security to each sport's national governing body.

"It wasn't 'How to Travel in Europe on $50 a Day,' " said Prouty. "It was more like 'How to Travel in Europe and Stay Alive.' " The guidelines are "common-sense stuff," he said, although no one within the USOC will disclose the specifics.

Teams are being instructed not to wear USA jackets, especially in airports. "What I'm most concerned about," said Prouty, "is a local person with sympathies toward some terrorist group will see those red, white and blue jerseys go by and say, 'Hey, I can strike a blow for my cause,' sort of an impulsive thing."

Nonstop flights are to be taken whenever possible. Of 38 Sport for Understanding trips scheduled for this summer, 36 will have no stopovers.

At the Women's Tennis Association, players and officials traveling to Europe are pondering flights on foreign carriers, and out of Chicago, not New York.

The Rome airport in particular is being avoided. Mediterranean ports in general are considered off-limits by many, although The Athletics Congress still is planning to send athletes to the World Junior Championships in Greece in July.

Teams will not announce departure or arrival times. Welcoming committees will be scarce. Names and locations of hotels or host homes will be kept secret. Practice sites will be closed or periodically changed.

"Keep a low profile," said Mike Moran, USOC director of media and public information. "Don't advertise blatantly that you're an American. That's the idea."

On a recent trip to Amsterdam, a few days after the nuclear accident, Ivan Lendl, the top-ranked men's tennis player, picked up a morning paper to see which way the wind was blowing from the Soviet Union.

He plans to call ProServ, the Washington-based company that represents him, every day to check radiation levels in Italy during this week's Italian Open.

The State Department has issued a travel advisory for personal safety reasons for only one European nation — Poland, because of the nuclear accident on April 26. And out of advisories issued for 130 nations, only about 30 relate to personal safety, said Ruth van Heiwen, a spokeswoman for the department's Bureau of Consular Affairs.

مكتبة من الأصل

SPORTS

Canadiens Beat Rangers, Gain Final; Flames Down Blues to Take 3-2 Lead

The Associated Press

MONTREAL — Keyed by a hot rookie goaltender and a smothering defense, the Montreal Canadiens beat the New York Rangers, 3-1, here Friday night and rolled into the National Hockey League's championship series for the 27th time in their illustrious history.

"No one expected that a rookie could handle the pressure," said goaltender Patrick Roy, who turned in another sharp performance in the Wales Conference series. "It's a big satisfaction for me."

The victory clinched the best-of-seven series for the Canadiens in five games and sent them into the Stanley Cup final against the winner of the Campbell Conference title series between Calgary and St.

NHL PLAYOFFS

Louis (Calgary beat the Blues Saturday night to take a 3-2 lead).

Roy, statistically the top goaltender in the playoffs, made 19 saves and stymied several good New York scoring opportunities.

Bobby Smith scored the tie-breaking goal on a second-period power play and the Canadiens wrapped it up the game with a goal by Bob Gainey.

Flames 4, Blues 2: In Calgary, Alberta, Mike Eaves's third-period wraparound goal ended a brief St. Louis comeback attempt as the Flames moved to within one victory of the cup final.

Eaves sat out the regular season after announcing his retirement when he suffered the 10th concussion of his career in a preseason game. He became an assistant coach but was in shape and ready to play when Coach Bob Johnson asked him to return for Game 2 of the series against St. Louis.

His goal, at 13:19 of Saturday's final period, restored a two-goal Calgary lead less than four minutes after the Blues' Mark Hunter had scored. Dan Quinn had given the Flames the 3-1 advantage as he scored twice in under two minutes midway through the second period.

Steve Bozek led an outstanding penalty-killing effort as St. Louis was held scoreless in eight chances. The Blues are 2-for-25 in power-play goals in the series.

The Associated Press

Bobby Jones took it on the chin from Charles Davis but scored 23 points in Philadelphia's victory.

'Old Guard' Helps Lakers, 76ers Win

The Associated Press

NEW YORK — In sports these days, old is in. Golfer Jack Nicklaus, 46, won the recent Masters tournament and Bill Shoemaker, 54, rode Ferdinand to victory in the Kentucky Derby.

On Friday night, two "old codgers" helped young Charles Barkley keep Philadelphia alive in the

NBA PLAYOFFS

National Basketball Association playoffs, and on Saturday, Kareem Abdul-Jabbar, at 39 the oldest player in the league, was the dominant force as the Los Angeles Lakers routed Houston in the opener of the Western Conference finals.

76ers 126, Bucks 108: In Philadelphia, Bobby Jones, 34, and Julius Erving, 35, reached back a few years as the 76ers routed Milwaukee to tie the Eastern Conference semifinal series, 3-3.

Jones, who has announced his retirement after 13 seasons, had 23 points, four assists, four rebounds and blocked three shots. He was 7-for-9 from the field and 9-for-11 at the foul line in his 28 minutes. Erving, who has said he'll play one more season before calling it quits, had 18 points, six rebounds, three assists and two blocks.

Barkley, Philadelphia's mainstay throughout the series, had 23 points and 21 rebounds.

"It sure would be nice to get to another round," said Jones, who is recognized as one of the top defensive players in pro basketball. "I just take what I get," he said. "I'm no scorer."

Lakers 119, Rockets 107: In Inglewood, California, Abdul-Jabbar scored a game-high 31 points, had six rebounds and blocked three shots to lead the Laker rout.

Playing 35 minutes and making 13 of 23 field-goal attempts, Abdul-Jabbar pointed to the play of the Los Angeles guards as Saturday's crucial factor. The Rockets "weren't able to get the job done in the backcourt," he said. "Our guard play was better than theirs. I think that was the key."

Abdul-Jabbar, defended most of the time by 7-foot-4 (2.23-meter) Ralph Sampson, went over and around his younger foe with relative ease as the Lakers beat the Rockets for the ninth time in 11 games between the teams dating from the beginning of the 1984-85 season.

Abdul-Jabbar, the NBA's all-time leading scorer, has averaged 32 points in those games."

Continuing Their Torrid Pace, Mets Now Look to the Long Haul

Compiled by Our Staff From Dispatches

NEW YORK — Having established themselves as the team to catch in the National League East, the New York Mets are concentrating on making sure that no one comes close. They improved their record to major-league-best 20-4 here Saturday with a 5-1 decision over the Cincinnati Reds.

"It was important that this team get off to a good start this spring because of what happened last year," said catcher Gary Carter, recalling the team's second-place finish in 1985.

"Now that we've accomplished that," Carter said, "it's important

SATURDAY BASEBALL

to put distance and multiple-game distance between us and anyone who might challenge."

Ron Darling pitched a three-hitter over eight innings and George Foster and Carter hit home runs in New York's seventh straight victory.

Darling walked three and struck out four in helping the Mets to their 18th victory in 19 games.

Tom Browning, a 20-game winner last year, worked seven innings for the Reds, surrendering two runs on six hits.

"The Mets have no weaknesses right now," said Cincinnati's player-manager, Pete Rose. "But this can't keep up, and I mean it in both directions. The Mets can't keep it up, even though they have a good team, and we're too good to keep losing this way. What we need is a six-game winning streak."

Foster hit his second homer of the season with one out in the fourth. It was No. 336 of his career, tying him for 39th on the all-time list with Jim Rice and Joe Adcock.

Expos 3, Dodgers 2: In Montreal, Herm Winningham singled home Al Newman from second base with none out in the 11th as Montreal won its seventh straight.

Cubs 6, Padres 5: In Chicago, pitcher Dennis Eckersley hit a two-run homer in winning his first game of the season.

Astros 6, Pirates 3: In Pittsburgh, Glenn Davis went 3-for-3, driving in three runs with two homers and a double, and Bob Knepper became the league's first six-game winner.

Braves 3, Phillies 1: In Atlanta, Zane Smith struck out eight while pitching seven innings of five-hit ball, and Claudell Washington and Terry Harper homered as the Braves beat Philadelphia.

Cardinals 6, Giants 3: In St. Louis, Ray Burris, who had been released April 1 by Milwaukee, drove in three runs with a bases-loaded double and scattered six hits over seven innings for St. Louis.

White Sox 4, Indians 0: In the American League, in Cleveland, Carlton Fisk's two-run single capped a four-run 11th and three pitchers shut out the Indians.

Red Sox 4, A's 2: In Oakland, California, Don Baylor hit a two-run homer in the 10th and Bruce Hurst pitched a complete game as Boston won for the seventh time in its last eight games.

Orioles 5, Royals 2: In Baltimore, winner Mike Boddicker allowed three hits over eight innings in his first start since coming off the disabled list.

Yankees 4, Rangers 3: In Arlington, Texas, Ron Guidry struck out 11 batters in seven innings and Bobby Meacham drove in two runs for New York.

Twins 12, Tigers 2: In Minneapolis, Kent Hrbek hit a three-run homer and drove in four runs in a 17-hit onslaught that handed Detroit its fourth defeat in a row.

Mariners 8, Blue Jays 7: In Seattle, Bob Kearney's two-out single in the 11th capped a two-run rally that lifted Seattle past Toronto. Lloyd Moseby had homered with two outs in the top of the inning.

Brewers 4, Angels 2: In Anaheim, California, Billy Jo Robidoux delivered a two-run double in the sixth and rookie left-hander Juan Nieves pitched three-hit ball through six innings as Milwaukee beat California for the fifth time this year without a loss. *(AP, UPI)*

The Associated Press

Center fielder Eddie Milner cut in front of Max Venable to rob George Foster of a home run in Saturday's second inning. But Foster homered in the fourth, helping the Mets to a 5-1 victory.

Mariners Big Hit With New Manager

Compiled by Our Staff From Dispatches

SEATTLE — The Seattle Mariners made Dick Williams's managerial debut a memorable one here Friday night as Alvin Davis drove in a club-record eight runs with a single and two home runs, including a grand slam, in a 13-3 rout of the Toronto Blue Jays.

Seattle's thrashing of Toronto, ending a five-game losing streak, came a few hours after Williams had said that relying on the long ball didn't seem to be working as a strategy. "We're going to quit depending on three-run homers," he said, "and go back to fundamentals — making contact and doing the little things."

But Davis gave him reason to reconsider when he connected for a three-run shot in the first inning. Teammate Gorman Thomas later added a three-run home run, and Phil Bradley hit his second homer of the season in the fifth.

"I did say that, didn't I?" Williams said when reminded of his remarks about power hitting? "How soon I forget. It worked tonight, but we also did a lot of other things like going to the opposite field and hitting behind the runner," he said.

Davis's third career grand slam came in a five-run seventh that iced the rout. Davis extended his hitting streak to nine games.

"I was a little bit nervous," said the first baseman, whose team had lost 17 out of 21 games, prompting Chuck Cottier's dismissal as manager. "It definitely was not just another game. There's been a lot of pressure since spring training. We were the first team to be predicted to be a winner here. We need to get in a good frame of mind."

Davis's performance also eased the new skipper's mind. "I don't know if he'll remember this night," Williams said, "but I will. I was on pins and needles all day."

FRIDAY BASEBALL

The Seattle bats backed the six-hit pitching of Mike Moore, who struck out four and walked one in turning in his fourth complete game of the season. He gave up home runs to Cecil Fielder and Jesse Barfield.

White Sox 4, Indians 3: In Cleveland, Tim Hulett's two-run, pinch-hit single with two out in the ninth capped a three-run rally that ended a six-game skid and broke the Indians' winning streak at 10. "Under the circumstances," said Hulett, "a win of any kind would have been nice."

Brewers 16, Angels 5: In Anaheim, California, Cecil Cooper drove in five runs — three on them on a homer that paced a seven-run third — and Milwaukee pounded out 18 hits in burying California. Cooper also had a bases-empty home run and a run-scoring single.

Red Sox 9, A's 6: In Oakland, California, Wade Boggs hit a sacrifice fly and Don Baylor hit a two-run double to highlight a four-run Boston 10th after the A's had tied the game in the ninth. Roger Clemens, who had won his first five decisions this season, took a 5-2 lead and a six-hitter into the ninth. But Oakland chased him with two one-out singles, and Carney Lansford greeted reliever Bob Stanley with a home run that sent the game into extra innings. Clemens walked none and struck out 11, setting a franchise record with 10 or more strikeouts in four straight games.

Royals 7, Orioles 4: In Baltimore, Darryl Motley homered twice and George Brett, Willie Wilson and Jim Sundberg also connected as Kansas City tied a franchise record for home runs in a game. Wilson, who had four hits, started the game with a home run off Ken Dixon. Sundberg hit a bases-empty shot, and Brett tied the game with a two-run homer in the fifth.

Twins 8, Tigers 7: In Minneapolis, Gary Gaetti homered, drove in four runs and scored the game-winner on a wild pitch in the sixth. Starter and winner Bert Blyleven survived a six-run third that included Henry Spilman's first career grand-slam.

Astros 3, Pirates 2: In the National League, in Pittsburgh, Tony Walker scored from third on Jim Winn's wild pitch in the ninth as Houston ended a four-game losing streak.

Mets 2, Reds 1: In New York, Bob Ojeda matched his career high by striking out 10 and Darryl Strawberry hit a game-winning sacrifice fly in the sixth. In the eighth, Met center fielder Len Dykstra made an acrobatic catch at the wall to rob Dave Parker of a possible home run.

Giants 2, Cardinals 1: In St. Louis, Joel Youngblood's pinch-hit single through a drawn-in infield with one out in the 10th scored Rob Thompson as San Francisco squeaked past the Cardinals.

Phillies 7, Braves 6: In Atlanta, Juan Samuel had four hits and Von Hayes three to pace a 14-hit attack as Philadelphia held off the Braves. Mike Schmidt, who had two RBI singles, left the game in the seventh with a pain in his left side, where, a week earlier, he had been hit by a pitch.

Padres 6, Cubs 2: In Chicago, Kevin McReynolds hit a three-run homer to support Andy Hawkins, who gave up five hits in recording his first complete game of the year.

Expos 8, Dodgers 4: In Montreal, rookie Andres Galarraga homered following Hubie Brooks's two-run double in a four-run eighth that put Montreal past Los Angeles. *(UPI, AP)*

SCOREBOARD

Hockey

NHL Playoffs

CONFERENCE FINALS
Friday's Result

N.Y. Rangers 1 0 0—1
Montreal 1 1 1—3

Lemieux (9), Smith (5), Gainey (4); Sandstrom (4). Shots on goal: New York (on Roy) 8-10-2—20; Montreal (on Vanbiesbrouck) 9-10-10—29.

Saturday's Result

St. Louis 0 1 1—2
Calgary 1 2 1—4

Patterson (5), Quinn 2 (5), Eaves (1); Gilmour (9), Hunter (7). Shots on goal: St. Louis (on Vernon) 7-6-8—21; Calgary (on Wamsley) 8-13-8—29.

NHL Playoff Schedule

CONFERENCE FINALS
(Best-of-Seven)
WALES

Montreal 2, New York Rangers 1
Montreal 6, New York 2
Montreal 4, New York 3, OT
New York 2, Montreal 0
Montreal 3, New York 1

CAMPBELL

St. Louis 3, Calgary 2
Calgary 8, St. Louis 2
Calgary 5, St. Louis 3
St. Louis 5, Calgary 2
Calgary 4, St. Louis 2
May 12: Calgary at St. Louis
May 14: St. Louis at Calgary, if necessary

Basketball

NBA Playoffs

EASTERN CONFERENCE SEMIFINAL
Friday's Result

Milwaukee 28 26 21 33—108
Philadelphia 35 27 32 32—126

Jones 7-9 9-11 23, Barkley 6-10 11-18 23, Erving 7-12 4-6 18, McAdoo 5-8 8-8 18; Hodges 7-15 3-4 22, Lister 6-8 5-9 17. Rebounds: Milwaukee 34 (Lister 10); Philadelphia 56 (Barkley 21). Assists: Milwaukee 24 (Cummings 5); Philadelphia 27 (Cheeks 13).

WESTERN CONFERENCE FINAL
Saturday's Result

Houston 22 26 34 25—107
L.A. Lakers 34 30 30 25—119

Abdul-Jabbar 13-23 5-6 31, Johnson 9-15 8-13 26; Olajuwon 10-14 8-13 28, Wiggins 10-16 4-4 24. Rebounds: Houston 53 (Olajuwon 16); Los Angeles 48 (Johnson, Lucas 7). Assists: Houston 28 (Reid 8); Los Angeles 33 (Johnson 18).

NBA Playoff Schedule

CONFERENCE SEMIFINALS
EASTERN

Philadelphia 118, Milwaukee 112
Milwaukee 119, Philadelphia 107
Philadelphia 107, Milwaukee 103
Milwaukee 109, Philadelphia 104
Milwaukee 113, Philadelphia 108
Philadelphia 126, Milwaukee 108
May 11: Philadelphia at Milwaukee

Boston 103, Atlanta 91
Boston 119, Atlanta 109
Boston 111, Atlanta 107
Atlanta 106, Boston 94
Boston 132, Atlanta 99
(Boston wins series 4-1)

WESTERN

Houston 126, Denver 119
Houston 119, Denver 101
Denver 116, Houston 115
Denver 114, Houston 111, OT
Houston 131, Denver 103
Houston 126, Denver 122, 2OT
(Houston wins series 4-2)

Los Angeles Lakers 130, Dallas 116
Los Angeles 117, Dallas 113
Dallas 110, Los Angeles 108
Dallas 120, Los Angeles 118
Los Angeles 114, Dallas 113
Los Angeles 120, Dallas 107
(Los Angeles wins series 4-2)

CONFERENCE FINALS
(Best-of-Seven)
Eastern

May 13: Phil.-Mil. winner at Boston
May 15: Phil.-Mil. winner at Boston
May 17: Boston at Phil.-Mil. winner
May 18: Boston at Phil.-Mil. winner
x-May 21: Phil.-Mil. winner at Boston
x-May 23: Boston at Phil.-Mil. winner
x-May 25: Phil.-Mil. winner at Boston

Western

Los Angeles 119, Houston 107
May 13: Houston at Los Angeles
May 16: Los Angeles at Houston
May 18: Los Angeles at Houston
x-May 21: Houston at Los Angeles
x-May 23: Los Angeles at Houston
x-May 26: Houston at Los Angeles
(x-if necessary)

Baseball

Line Scores

FRIDAY'S RESULTS
AMERICAN LEAGUE

Kansas City 100 032 100—7 11 4
Baltimore 400 000 000—4 5 0

Gubicza, Black (1), Farr (7) and Sundberg; Dixon, Bordi (6) and Dempsey. W—Black, 2-3. L—Dixon, 3-2. Sv—Farr (2). HRs—Kansas City, Wilson (2), Sundberg (1), Brett (6), Motley 2 (5).

Chicago 000 010 003—4 13 1
Cleveland 010 010 100—3 9 1

Davis, Schmidt (6), McKeon (8), Nelson (8) and Skinner, Hill (8), Fisk (9); Niekro, Camacho (8), Bailes (9), Yett (9) and Bando. W—Nelson, 2-1. L—Bailes, 4-2.

Detroit 006 001 000—7 13 0
Minnesota 212 003 00x—8 9 0

Terrell, O'Neal (3), Cary (6), Hernandez (9) and Parrish; Blyleven, Agosto (7) and Salas. W—Blyleven, 3-2. L—O'Neal, 0-2. Sv—Agosto (1). HRs—Detroit, Spilman (2). Minnesota, Gaetti (7).

Toronto 110 000 100— 3 6 1
Seattle 310 010 53x—13 11 2

Stieb, Gordon (6), Caudill (7) and Whitt; Moore and Yeager. W—Moore, 2-3. L—Stieb, 0-4. HRs—Seattle, Davis 2 (8), Bradley (2), Thomas (7). Toronto, Fielder (3), Barfield (7).

Milwaukee 007 210 015—16 18 1
California 001 300 100— 5 10 3

Leary, Darwin (5), McClure (9) and Schroeder; McCaskill, Forsch (3), Bryden (5), Forster (9) and Boone. W—Darwin, 2-1. L—McCaskill, 2-3. HRs—Milwaukee, Cooper 2 (3).

Boston 220 010 000 4—9 12 0
Oakland 000 100 103 1—6 11 1

Clemens, Stanley (9), Sambito (10) and Gedman; Langford, Young (2), Atherton (8), Mooneyham (10) and Bathe. W—Stanley, 1-1. L—Atherton, 1-2. Sv—Sambito (2). HRs—Oakland, Canseco (9), Lansford (2).
(New York at Texas, ppd., rain)

NATIONAL LEAGUE

Los Angeles 000 301 000—4 11 1
Montreal 000 110 24x—8 11 0

Valenzuela and Scioscia; Smith, Schatzeder (7), Reardon (8) and Fitzgerald. W—Reardon, 5-2. L—Valenzuela, 4-2. HRs—Montreal, Brooks (7), Fitzgerald (3), Galarraga (4).

San Diego 011 000 301—6 10 0
Chicago 000 020 000—2 5 0

Hawkins and Kennedy; Sutcliffe, Fontenot (8), Keough (9) and Davis. W—Hawkins, 2-2. L—Sutcliffe, 1-5. HRs—San Diego, Kennedy (3), Flannery (1), McReynolds (4). Chicago, Cey (3).

Philadelphia 141 100 000—7 14 1
Atlanta 120 021 000—6 11 2

K.Gross, Rucker (6), Tekulve (7), Carman (9), Bedrosian (9) and Daulton; Johnson, Dedmon (2), Garber (6), Sutter (8) and Virgil. W—K.Gross, 3-3. L—Johnson, 3-3. Sv—Bedrosian (4). HRs—Atlanta, Washington (3), Virgil (4). Philadelphia, Schu (3).

Cincinnati 000 010 000—1 6 0
New York 000 002 00x—2 3 0

Soto, Franco (8) and Diaz; Ojeda, McDowell (9) and Carter. W—Ojeda, 5-0. L—Soto, 2-4. Sv—McDowell (3).

Houston 001 100 001—3 8 2
Pittsburgh 010 001 000—2 7 0

Scott, Kerfeld (8), D.Smith (9) and Bailey; Kipper, Clements (9), Winn (9) and Ortiz. W—Kerfeld, 3-0. L—Winn, 1-1. Sv—D.Smith (9). HRs—Houston, Bailey (1). Pittsburgh, Bream (5).

San Francisco 000 001 000 1—2 5 0
St.Louis 100 000 000 0—1 7 0

LaCoss, M.Davis (10) and Melvin and Gulden (10); Forsch, Worrell (9), Horton (10) and LaValliere. W—LaCoss, 3-0. L—Worrell, 2-2. Sv—M.Davis (2).

SATURDAY'S RESULTS
AMERICAN LEAGUE

Chicago 000 000 000 04—4 8 2
Cleveland 000 000 000 00—0 3 4

Allen, Nelson (8), James (11) and Fisk, Skinner (7), Hill (11); Schrom, Bailes (11), Kern (11) and Allanson. W—Nelson, 3-1. L—Bailes, 4-3.

Boston 020 000 000 2—4 8 0
Oakland 000 010 010 0—2 10 3

Hurst and Gedman; Rijo, Ontiveros (9) and Bathe, Willard (9). W—Hurst, 3-2. L—Ontiveros, 0-1. HR—Boston, Baylor (5).

Kansas City 100 000 100—2 4 1
Baltimore 203 000 00x—5 8 0

Leonard, Quisenberry (8) and Sundberg; Boddicker, Aase (8) and Sisiero. W—Boddicker, 3-0. L—Leonard, 3-3. Sv—Aase (7). HRs—Kansas City, Balboni (4). Baltimore, Lynn (2).

New York 010 100 020—4 8 0
Texas 020 000 001—3 8 1

Guidry, Fisher (8), Righetti (9) and Wynegar; Witt, Mahler (6), Harris (7), Henry (8), Williams (8) and Slaught. W—Guidry, 4-1. L—Harris, 2-4. HRs—Texas, Parrish 2 (5).

Detroit 100 000 010— 2 14 1
Minnesota 501 420 00x—12 17 0

Tanana, Cary (4), O'Neal (4), Hernandez (5), Terrell (7) and Parrish, Harper (5); Viola, Butcher (6), Pastore (9) and Laudner. W—Viola, 4-2. L—Tanana, 4-2. HRs—Minnesota, Lombardozzi (3), Brunansky (7), Gagne (2), Hrbek (4).

Milwaukee 000 102 001—4 8 0
California 000 110 000—2 5 1

Nieves, Plesac (7) and Moore; Witt and Boone. W—Nieves, 3-1. L—Witt, 2-3. Sv—Plesac (3).

Toronto 300 100 002 01—7 11 0
Seattle 000 500 001 02—8 11 0

Alexander, Acker (6), Eichhorn (8), Henke (9), Lamp (11) and Martinez, Whitt (10); Langston, Young (9), Ladd (9) and Yeager, Kearney (9). W—Ladd, 3-1. L—Henke, 3-2. HRs—Seattle, Phelps (3), Calderon (2), Presley (3), D.Henderson (4). Toronto, Moseby (5).

NATIONAL LEAGUE

Cincinnati 000 000 100—1 3 1
New York 000 110 03x—5 9 1

Browning, Price (8), Robinson (8) and Diaz; Darling, Orosco (9) and Carter. W—Darling, 3-0. L—Browning, 0-4. HRs—New York, Foster (2), Carter (4).

San Diego 201 002 000—5 15 0
Chicago 220 200 00x—6 10 0

Hoyt, Stoddard (5), Lefferts (6), McCullers (8) and Kennedy; Eckersley, Hoffman (6), Smith (8) and Davis. W—Eckersley, 1-2. L—Hoyt, 0-1. Sv—Smith (3). HRs—San Diego, Kruk (1), Nettles (3). Chicago, Moreland (3), Eckersley (1), Davis (3).

Los Angeles 200 000 000 00—2 8 2
Montreal 100 001 000 01—3 10 0

Hershiser, Howell (8) and Scioscia; Tibbs, Burke (8), Schatzeder (10) and Bilardello, Fitzgerald (9). W—Schatzeder, 2-0. L—Howell, 0-2.

Houston 000 201 021—6 12 2
Pittsburgh 020 000 010—3 9 0

Knepper, DiPino (8) and Bailey; Rhoden, Walk (8), Clements (9) and Pena. W—Knepper, 6-1. L—Rhoden, 2-2. Sv—DiPino (1). HRs—Houston, Davis 2 (7), Bass (3).

Philadelphia 000 000 100—1 5 1
Atlanta 002 000 01x—3 9 0

Hudson, Rucker (7), Tekulve (7), Carman (9) and Russell; Smith, Garber (8), Assenmacher (8) and Virgil. W—Smith, 3-2. L—Hudson, 2-2. Sv—Assenmacher (2). HRs—Atlanta, Washington (4), Harper (3).

San Francisco 000 001 020—3 7 0
St.Louis 033 000 00x—6 8 0

Mason, Laskey (3), Hensley (4), Berenguer (5), Minton (7) and Brenly, Gulden (7), Melvin (8); Burris, Bargar (8), Dayley (8) and Heath. W—Burris, 1-0. L—Mason, 2-2. Sv—Dayley (1).

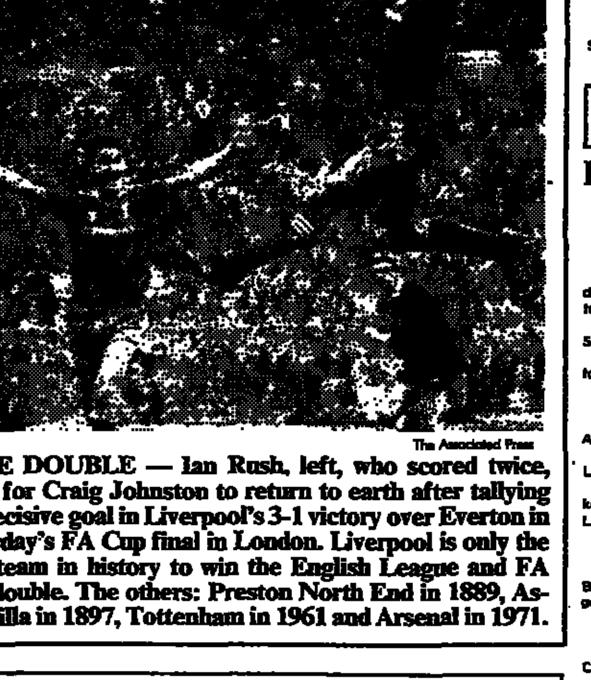
Major League Standings

NATIONAL LEAGUE
East Division

	W	L	Pct.	GB
New York	20	4	.833	—
Montreal	16	10	.615	5
St. Louis	12	15	.444	9½
Pittsburgh	11	14	.440	9½
Chicago	12	16	.429	10
Philadelphia	10	15	.400	10½
West Division				
Houston	17	10	.630	—
San Francisco	18	13	.581	1
San Diego	15	15	.500	3½
Atlanta	13	15	.464	4½
Los Angeles	14	18	.438	5½
Cincinnati	6	19	.240	10

AMERICAN LEAGUE
East Division

	W	L	Pct.	GB
New York	19	9	.679	—
Boston	19	10	.655	½
Cleveland	17	10	.630	1½
Milwaukee	16	12	.571	3
Baltimore	13	14	.481	5½
Detroit	13	14	.481	5½
Toronto	12	18	.400	8
West Division				
California	16	15	.516	—
Oakland	16	15	.516	—
Texas	13	13	.500	½
Minnesota	13	16	.448	2
Kansas City	12	15	.444	2
Seattle	11	20	.355	5
Chicago	9	18	.333	5



The Associated Press

RARE DOUBLE — Ian Rush, left, who scored twice, waits for Craig Johnston to return to earth after tallying the decisive goal in Liverpool's 3-1 victory over Everton in Saturday's FA Cup final in London. Liverpool is only the fifth team in history to win the English League and FA Cup double. The others: Preston North End in 1889, Aston Villa in 1897, Tottenham in 1961 and Arsenal in 1971.

Transition

BASEBALL
American League

BALTIMORE—Reassigned Bill Swaggerty, pitcher, to Rochester of the International League. Activated Mike Boddicker, pitcher, from the disabled list.

KANSAS CITY—Signed Jim Sundberg, catcher, to a two-year contract extension.

MINNESOTA—Called up Al Woods, outfielder, and Ron Washington, infielder, from Toledo of the International League. Sent Chris Pittaro, infielder, and Alex Sanchez, infielder, to Toledo.

NEW YORK—Announced the resignation of Gene McHale, president.

SEATTLE MARINERS—Named Dick Williams manager and Ozzie Virgil Sr. third base coach.

National League

MONTREAL—Purchased Bert Roberge, pitcher, from West Palm Beach of the Florida State League. Sent George Riley, pitcher, to Indianapolis of the American Association.

LOS ANGELES—Placed Carlos Diaz, pitcher, on the 15-day disabled list. Reactivated Bill Madlock, third baseman.

PHILADELPHIA—Released Dave Stewart, relief pitcher.

PITTSBURGH—Waived Steve Kemp, outfielder. Sent Bob Patterson, pitcher, to Hawaii of the Pacific Coast League. Recalled Jose DeLeon, pitcher, and Trench Davis, outfielder, from Hawaii.

ST. LOUIS—Recalled Ray Burris, pitcher, from Louisville, American Association. Optioned Pat Perry, pitcher, to Louisville.

FOOTBALL

Canadian Football League

TORONTO—Signed Willie Pless, tackle, and Mark Horvath and Stanley Pugh, defensive backs.

National Football League

DENVER—Signed Fred Boskin, nose tackle; Brad Burditt, placekicker; Tom Faurot and Warren Thompson, linebackers; Neil Mourne and Michael Morris, guards, and Scott Senner, punter.

SAN DIEGO—Signed Casey Brown and Mike Miller, running backs; Jim Dralle, center; Jim Rodgers, Jerome Tyler and Darryl McCoy, safeties; Tony DeLuca, nose tackle; Ron Milus, cornerback; Jim Nielsen, placekicker; Eddie Pate and David Trimble, wide receivers and Greg Schwab, offensive tackle.

Boxing

WORLD AMATEUR CHAMPIONSHIPS
(At Reno, Nevada)
FIRST ROUND
112-Pound (50.7-Kilogram Class)

Dieter Berg, East Germany, dec. Miloud Mouhi, Morocco, 5-0; Eyup Can, Turkey, dec. Arthur Johnson, U.S., 3-2; Wolfgang Kamm, West Germany, dec. Victor Enyioko, Nigeria, 5-0; David Griman, Venezuela, dec. Jean Savarino, France, 5-0; Pedro Reyes, Cuba, dec. Belbut Esiaaov, Soviet Union, 5-0; Andrea Mannai, Italy, dec. Kim Kwang Sun, South Korea, 3-2; Janos Varadi, Hungary, def. Seiki Segawa, Japan, KO-3 (2:58); Steve Beaupre, Canada, dec. Mario Cordero, Puerto Rico, 3-2.

125 Pounds

Nicolae Talpos, Romania, dec. Erick Murin, France, 4-1; Park Hyung-Ok, South Korea, dec. Patrick Kamya, Uganda, 5-0; Omar Catari, Venezuela, dec. Jarmo Eskelinen, Finland, 5-0; Andreas Zulow, East Germany, dec. Klus Nikolta, West Germany, 5-0; Tomasz Nowak, Poland, dec. Wei Chih Hung, Taipei-Taiwan, 5-0.

132 Pounds

Adolfo Horta, Cuba, dec. Michelle Caldarella, Italy, 5-0; Fernando Maldonado, Puerto Rico, dec. Charles Lubulwa, Uganda, 4-1; Takeyuki Agaai, Japan, topped Chung SHeng Hwang, Taipei-Taiwan, RSC-1, (2:32); Daniel Maeran, Romania, dec. Vincent Phillips, U.S., 3-2; Eric Tormes, France, dec. Eladio Ramirez, Dominican Republic, 5-0; Reiner Gies, West Germany, dec. Francisco Mesquita Pereira, Brazil, 4-1; Jan Nyholm, Finland, def. Brahim Toufihi, Morocco, KO-2 (1:45); Orzubek Nasarov, Soviet Union, dec. Faruk Karatop, Turkey, 5-0.

147 Pounds

Torsten Schmitz, East Germany, dec. Stefan Driscu, Romania, 4-1; Carlos Marcano, Venezuela, def. Angel Stoianov, Bulgaria, KO-2 (1:55); Israel Akopkohian, Soviet Union, dec. Helmut Gertel, West Germany, 5-0; Segundo Mercado, Ecuador, def. Libertad Rueda, Puerto Rico, KO-2 (1:29); Damien Denny, Ireland, dec. Antonio Benedito Madureira, 5-0; Candelario Duvergel, Cuba, dec. Vedat Onsoy, Turkey, 5-0; Rafal Khemais, Tunisia, dec. Johnny Dellma, Denmark, 3-2.

165 Pounds

Dmitri Baligusov, Soviet Union, dec. Esa Hukkanen, Finland, 5-0; Julio Quintana, Cuba, dec. Egerton Marcus, Canada, 5-0.

Over 200

Petar Stoimenov, Bulgaria, dec. Lennox Lewis, 3-2; Teofilo Stevenson, Cuba, dec. Ulli Kaden, East Germany, 5-0.

SECOND ROUND
106 Pounds

Krasimir Cholakov, Bulgaria, dec. Mahjoub Mjirih, Morocco, 5-0; Juan Torres, Cuba, dec. Philippe Desavoye, France, 5-0; Hamilton Jose Rodrigues, Brazil, dec. Brian Lonon, U.S., 3-2; Yehuda Ben Haim, Israel, dec. Kimiaki Takami, Japan, 4-1; Ramazan Gul, Turkey, dec. Ming Chia Lin, Taipei-Taiwan, 3-2; Luis Rolon, Puerto Rico, dec. Nshan Munchian, Soviet Union, 4-1; Oh Kwang-Sun, South Korea, dec. Scott Olson, Canada, 5-0.

139 Pounds

Kim Ki-Taek, South Korea, dec. Jose Guzman, Venezuela, 5-0; Howard Grant, Canada, def. Guy Vasle, France, RSCH-1 (1:45); Stefan Cirok, Czechoslovakia, dec. Vesa Walden, Finland, 5-0; Borislav Abadiiev, Bulgaria, dec. Luis Carlos Doria Barreto, Brazil, 5-0; Eduardo Correa, Cuba, dec. Mohamed Adile, Morocco, 5-0; Vasili Shishov, Soviet Union, dec. Siegfried Mehnert, East Germany, 4-1; Alexander Kuenzler, West Germany, dec. Nick Kakouris, U.S., 3-2.

156 Pounds

Manvel Avetisian, Soviet Union, dec. Rick Finch, Australia, 5-0; Norbert Nieroba, West Germany, def. Jeris Robers, Bahamas, Disq-3 (2:15); Danny Sherry, Canada, dec. Freddy Sanchez, Puerto Rico, 5-0; Angel Espinosa, Cuba, def. Faouzi Hattab, France, RSCH-2 (:26); Miro Puzovic, Yugoslavia, dec. Wilberforce Kiyundu, Uganda, 5-0; Enrico Richter, East Germany, dec. Lee Hae-Jung, South Korea, 5-0; Manon Mereus, Dominican Republic, dec. Abdallah Tibazi, Morocco, 3-2; Lotfi Ayed, Sweden, dec. Peter da Silva, Brazil, 5-0; Mihail Takov, Bulgaria, dec. Kieran Joyce, Ireland, 3-2.

Over 200

Svilen Rusinov, Bulgaria, dec. Wieslaw Dylan, Poland, 5-0; Jouni Kopola, Finland, dec. Virgilio Frias, Dominican Republic, 5-0; Felix Savon, Cuba, dec. Gyula Alvics, Hungary, 5-0; Luis Castillo, Ecuador, dec. Kim You-Hyun, South Korea, 5-0.

Auto Racing

MONACO GRAND PRIX

1. Alain Prost, France, McLaren, one hour, 55 minutes, 41.060 seconds, average speed 134.63 kph (83.66 mph)
2. Keke Rosberg, Finland, McLaren, 25.022 seconds behind
3. Ayrton Senna, Brazil, Lotus, 53.646 behind
4. Nigel Mansell, Britain, Williams, 1:11.402 behind
5. René Arnoux, France, Ligier, 1 lap behind
6. Jacques Laffite, France, Ligier, 1 lap
7. Nelson Piquet, Brazil, Williams, 1 lap
8. Thierry Boutsen, Belgium, Arrows, 3 laps
9. Marc Surer, Switzerland, Arrows, 3 laps
10. Stefan Johansson, Sweden, Ferrari, 3 laps
11. Philippe Streiff, France, Tyrrell, 4 laps
12. Jonathan Palmer, Britain, Zakspeed, 4 laps

Did Not Finish:

13. Martin Brundle, Britain, Tyrrell, 11 laps
14. Patrick Tambay, France, Lola Ford, 11 laps
15. Gerhard Berger, Austria, Benneton BMW, 36 laps
16. Michele Alboreto, Italy, Ferrari, 40 laps
17. Riccardo Patrese, Italy, Brabham, 40 laps
18. Elio de Angelis, Italy, Brabham, 47 laps
19. Teo Fabi, Italy, Benneton BMW, 61 laps
20. Alan Jones, Australia, Lola Ford, 76 laps

DRIVER STANDINGS

1. Alain Prost, France, 22 points.
2. Ayrton Senna, Brazil, 19
3. Nelson Piquet, Brazil, 15
4. Keke Rosberg, Finland, 11
5. Nigel Mansell, Britain, 9
6. Gerhard Berger, Austria, 6
7. Jacques Laffite, France, and René Arnoux, France, 5
9. Stefan Johansson, Sweden, 3
10. Teo Fabi, Italy, and Martin Brundle, Britain, 2
12. Riccardo Patrese, Italy, 1

European Soccer

ENGLISH FA CUP FINAL
(At London)

Liverpool 3, Everton 1

SCOTTISH FA CUP FINAL
(At Glasgow)

Aberdeen 3, Hearts 0

UEFA UNDER-16 FINAL
(At Athens)

Spain 2, Italy 1

Tennis

Davis Cup

EUROPEAN ZONE A
First Round
(At Cairo)
Egypt 5, Malta 0

Nael Zaki and Ahmed el-Mehelmy, Egypt, def. Steven Schranz and Daryl Delicata, Malta, 6-4, 6-1, 6-3.

Ahmed El-Mehelmy, Egypt, def. Steven Schranz, Malta, 6-3, 6-2

Hani Nasser, Egypt, def. Denis Galea, Malta, 6-2, 6-2

(At Izmir, Turkey)
Turkey 2, Luxembourg 1

Johny Goudenbour, Luxembourg, def. Alaattin Karagoz, Turkey, 6-3, 6-2, 6-3.

Necvet Demir, Turkey, def. Serge Bruck, Luxembourg, 10-8, 6-0, 8-6.

Alaattin Karagoz and Necvet Demir, Turkey, def. Johny Goudenbur and Serge Bruck, Luxembourg, 5-7, 6-4, 10-8, 6-0.

(At Haskovo, Bulgaria)
Bulgaria 3, Cyprus 0

Krassimir Lazarov and Marian Lazarov, Bulgaria, def. Pivos Zachariadis and Hadjigeorgiou, Cyprus, 6-3, 6-0, 6-0.

(At Oporto, Portugal)
Portugal 2, Zimbabwe 1

Philippe Tuckniff, Zimbabwe, def. Pedro Cordeiro, Portugal, 6-3, 3-6, 7-5, 6-4.

Joao Cunha e Silva, Portugal, def. Aaron H.A. Ismail, Zimbabwe, 6-2, 6-2, 6-0.

Pedro Cordeiro and Joao Cunha e Silva, Portugal, def. Aaron H.A. Ismail and Orlando Lourenco, Zimbabwe, 6-1, 6-4, 6-1.

EUROPEAN ZONE B
(At Dublin)
Belgium 2, Ireland 0

Jan van Langendonck, Belgium, def. Matt Doyle, Ireland, 6-2, 6-3, 1-6, 5-7, 6-4.

Alain Brichant, Belgium, def. Sean Sorensen, Ireland, 7-9, 9-7, 7-5, 7-5.

(At Athens)
Greece 3, Syria 0

Yiorgos Kalovelonis and Yannis Rigas, Greece, def. Sukri Surian and Nasser Al Rasy, Syria, 6-2, 6-0, 6-2.

EASTERN ZONE
Quarterfinals
(At Matsuyama, Japan)
Japan 4, Taiwan 1

Hitoshi Shirato and Eiji Takeuchi, Japan, def. Wu Chang-lung and Hsu Huang-lung, Taiwan, 6-1, 6-4, 7-5.

Wu Chang-Lung, Taiwan, def. Toshihisa Tsuchihashi, Japan, 4-6, 6-0, 7-5

Tsuyoshi Fukui, Japan, def. Liu Chung-Hsing, Taiwan, 6-2, 6-2

(At Seoul)
South Korea 3, Pakistan 0

Chon Yong-dae and Song Tong-uk, South Korea, def. Rashid Malik and Mushaf Zia, Pakistan, 6-2, 6-4, 6-3.

(At Hong Kong)
China 2, Hong Kong 0
(Postponed, rain)

(At Bangkok)
Thailand vs. Indonesia
(Postponed, rain)

Men's Tournament

TOURNAMENT OF CHAMPIONS
(At New York)
Quarterfinals

Yannick Noah (4), France, def. Pablo Arraya, Peru, 6-3, 6-2.

Martin Jaite (9), Argentina, def. Boris Becker (2), West Germany, 6-2, 7-6 (7-3).

Guillermo Vilas, Argentina, def. Joakim Nystrom (3), Sweden, 6-4, 3-6, 6-3.

Ivan Lendl (1), Czechoslovakia, def. Thierry Tulasne (7), France, 6-4, 6-2.

Semifinals

Vilas def. Jaite (9), 6-3, 6-3.
Noah (4) def. Lendl (1), 6-3, 7-5.

From Serpico to Barcella: Peter Maas's Heroes

By Phil McCombs
Washington Post Service

WASHINGTON — Peter Maas knocked back a double Jack Daniel's and talked about what it was like to be a big-time, best-selling investigative reporter and author: "I get a very cynical view of the world in the work I do. That's why I get knocked out by a Serpico or a Marie or a Barcella. I really value these people."

These are the heroes of his books: Frank Serpico, the maverick New York cop who exposed corruption; Marie Ragghianti, a determined young official who fought government crooks in Tennessee; and now E. Lawrence Barcella Jr., the federal prosecutor who hunted down Edwin P. Wilson, the former CIA agent who is doing 52 years for smuggling explosives to Moamer Qadhafi's Libya.

In "Manhunt: The Incredible Pursuit of a CIA Agent Turned Terrorist," published recently by Random House, Maas tells how Barcella stalked Wilson. The book is written in the spare, taut way of a fictional thriller.

"I have a villain and a hero," said Maas, 56, a stocky man with bushy gray hair and a manner alternately offhand and intense. "I have a writer's dream working here. I have a chase."

Maas presents the story clearly and adds fresh detail unearthed in two years of reporting. To ship 21 tons of C-4 plastique, probably the world's most powerful non-nuclear explosive, Wilson had an arms dealer pick it up at depots in New York, Louisiana and Texas. It was packed in five-gallon cans of drilling mud, then trucked to Houston and flown to Tripoli aboard a chartered jet: Just a matter of the right paperwork, and a little deception.

That was in 1977. Maas said a chunk of C-4 the size of a cigarette pack could kill people and blow a hole in the side of a plane. He thinks that some of the plastique has been used in terrorist attacks and that most of it remains in Qadhafi's bunkers. C-4 has a shelf life of 20 years.

"Barcella had stumbled over Wilson by accident," Maas writes. "As other events gradually unfolded, his pursuit became an obsession, personal in every sense of the word. The two men would meet secretly in Italy in a temporary truce. They corresponded and talked over international telephone lines, each trying to outwit the other."

The prosecutor pursued Wilson for four years, often in the face of bureaucratic indifference. He finally tricked him into leaving Libya for the Dominican Republic, where he could be taken into custody. The relentlessness of the hunter fascinates Maas.

"This is a terrible town for bureaucracy," he said of Washington. Barcella — and Maas's other heroes — are not really organization people. "They don't first think, 'You gotta make a living.'"

Maas traces Barcella's free-wheeling intensity to his teen-age years, when he was told he was dying of cancer and then experienced a remission that left him feeling unfettered by conventional worries about success. Now, Maas says, Barcella is a maverick who "doesn't realize it himself. He thinks he's true-blue."

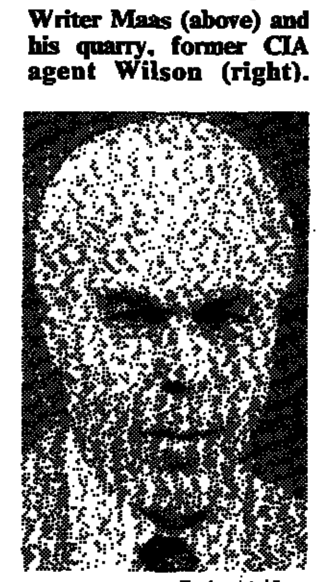
Maas is a bit of a maverick himself. He had always wanted to be a fact-digging reporter, and when he got out of the U. S. Navy in 1955 he went to work for Collier's magazine. He gravitated toward the investigative side partly because he liked exposing crooks and partly because it meant he did not have to work in the office.

Maas said he received a "hefty six-figure" advance for "Manhunt." "I didn't get $2.2 million for it," he said, referring to David Stockman's advance for "The Triumph of Politics"; Maas and Stockman spoke at a book luncheon last week, and afterward, Maas said, his autograph seekers outnumbered those of Stockman. But "I'm not really in the big leagues," he said. Reflecting a moment on this modest statement, he added: "Well, I'm in the big leagues, but I'm not Reggie Jackson."

"Serpico" sold 2.7 million copies and brought $350,000 for the movie rights. "Marie" went to the movies for $650,000. "The Valachi Papers," which is out of print, will be reissued by Pocket Books in September.

"I never submit a written outline," Maas said. "I say, 'I've got this idea — '" But 22 publishers turned down the idea for "The Valachi Papers," which finally came out in 1966. "They said, 'The Mafia doesn't sell.' What I was really doing was starting a new industry. This was before 'The Godfather.'"

Dayna Smith/The Washington Post



The Associated Press

Writer Maas (above) and his quarry, former CIA agent Wilson (right).

Mass grew up in Manhattan and says he likes the rumble of the city outside as he writes in the apartment he shares with his wife of three months, Suzanne Jones, a caterer.

He attended Duke University, where Clay Felker hired him for the student newspaper. At Collier's he found himself in the company of Pierre Salinger, Raymond Price (later a Nixon speechwriter) and George J. W. Goodman (now writing under the pen name Adam Smith).

Maas also worked for the Saturday Evening Post, Look magazine and the New York Herald-Tribune. When Felker started New York magazine in 1969, Maas joined the staff with Jimmy Breslin, Tom Wolfe, Gloria Steinem and others. His friend Steinem calls him a "liberated male," he said, because he "treats both sexes with equal contempt."

Over the years Maas has developed an approach to investigation that emphasizes not so much the revelation of shocking facts as the explication of events.

"When you're an investigative reporter, there's a certain ego in that. You think you're gonna change the world, and at some point in your life you discover you're not changing the world. You're changing faces."

"Manhunt" is fact-packed, and far from preachy. Wilson was able to make millions on the side and hoodwink the Washington power elite during and after his career in government, but the book does not offer any analysis.

"I'm not sure books should draw conclusions," Maas said. "I think they should make people *think*." Speaking of the CIA, he said, "I could have gone much more into the agency, but I really wasn't writing about that." What he was writing about, he said, was character — people and their motivations.

"I realized that character was all-important. If you have good characters, the story follows. I never make an outline. I write non-fiction as if I'm writing a novel."

The idea for "Manhunt" came to Maas one morning while he was reading the paper. An item about Wilson mentioned his fabulous estate, Mount Airy Farms, in the Virginia hunt country. "And I'm thinking to myself, 'How can a guy be living next to the Mellons" and [Senator John] Warner and Elizabeth Taylor" on less than $30,000 a year from the government? "I thought, 'This is the Great Gatsby of the spook world!'"

Maas talked to the Washington Post reporter Bob Woodward, who had written an early story about Wilson. Woodward and others told Maas that Barcella was the "unsung hero" of the saga. After five months of hectoring, Barcella agreed to talk — not about legal details of the case but only about his feelings at various stages of the drama.

Maas had his story, and fell into his workaholic mode. After two years of reporting — interviewing scores of people and talking some into giving him copies of classified documents — he spent a year writing.

"We live in a very institutionalized world," he said. "It's wonderful to get it down to individuals."

LANGUAGE

Moderating a Discussion on Discussant

By William Safire

WASHINGTON — "The word *discussant* does not appear in my dictionary," writes Allen R. Kramer, an architect in St. Michaels, Maryland, attaching a Baltimore film-forum program that lists *moderator* and *discussant* after each movie to be shown. "I fear it is the kind of word which [*sic*] will quickly spread to TV forums and assorted groups devoted to talking about uplifting subjects. Perhaps some comments from you can prevent an epidemic."

My advice to Kramer is to get a new dictionary. *Discussant* can be found in the current Random House, Webster's New World, and Merriam-Webster's Ninth New Collegiate dictionaries, and is defined as meaning "one who participates in a symposium or formal discussion." Anyone who tries to deal with today's neologisms using an old dictionary is like an architect plotting a cantilevered aerie with a blunt pair of calipers.

The point to remember about *discussant*, which has been in use since 1927, is: This person who is putting the entire audience to sleep by going on and on about that fellow's paper, which was dull enough by itself, is not just casually shooting the breeze. The *discussant* has come prepared to discuss a paper he has usually been allowed to peruse in advance. He is not supposed to be as disputatious as the *respondent*, who is expected to begin his response with "What a waste of time!" or some other expostulation or riposte. (The program for the Modern Language Association's convention in Chicago last December lists no *discussants*, only *respondents*; that must have been lively, unless they thought of themselves as *panelists*.)

Discussant won out over *discusser*, in use for almost four centuries, for no special reason: I would speculate that *discusser* sounded too much like one who hurls "discurses." *Discutant* had a crack at it, on the analogy of *disputant*, but was shouted down, as was *discussionist*, which sounded too much like the kid with the new set of drums upstairs driving everybody in the apartment house crazy.

All these words we've been discussing are rooted in the Latin *discutere*, Latin for "agitate," or more accurately, "to shake to pieces," which is what discussants would really like to do to the papers they serenely address. *Respondent*, curiously, is rooted in *spondere*, "to promise, to betroth, as in the word *spouse*"; a *co-respondent* is someone with whom you have been making embarrassing promises, and to *correspond* is to *agree*; a *correspondent* was one who communicated agreeably, or stayed in touch secretly, but that's all changed now.

Panelist, in a free-association test, would bring forth "Kitty Carlisle" by a young generation that would not recognize the song "June in January." Originally, a *panellist* — two *l*'s — was one of a group of doctors working together under the National Insurance Act of 1913. It has since become an occupation, like *celebrity*, and is probably rooted in the Latin *pannus*, "cloth," from which one strips a piece in a kind of rip-off.

> This person who is putting the entire audience to sleep by going on and on about that fellow's paper is not just casually shooting the breeze.

Do you ever wonder about good words that get crowded out? One who mulled things over was called a *deliberant* by Thomas Jefferson; I'd like to see that come back (and not *deliberator*, a role that would be played by Arnold Schwarzenegger). You don't agree? You want to argue? Be a *controverter*.

"HAS High Court's Spelling Gone to Pot?" asked a headline in The National Law Journal. The subhead in this usually sobersided publication read: "You Say 'huana, I Say 'juana."

The facts are not in dispute. As the article by Tony Mauro of USA Today made clear, the problem about the spelling of *marijuana* (probably the Spanish word for the drug's nickname, "Maria Juana," in English "Mary Jane") arose in March when Justice Byron R. White wrote the Supreme Court's opinion in Malley vs. Briggs.

The police may be sued for making some unconstitutional arrests, whizzed White, no matter if they have arrest warrants. The justice used terms of dope-smoking art in describing the arrest — *taking and doing her thing* — and defined them for his less hip colleagues as "smoking marihuana" for the former and "rolling a marihuana cigarette" for the latter.

Not everybody blows *marihuana* with an *h*. That's Castilian Spanish; American Spanish generally spells it with a *j* (although sometimes with an *h* or even a *g*), and that more local spelling is preferred in most dictionaries in the United States. In the report issued recently by the President's Commission on Organized Crime, headed by the up-to-date Judge Irving R. Kaufman of the 2d U.S. Circuit Court of Appeals, a zinging [*sic*] was placed after the *h* spelling in quoting a previous report. In 1984, the Government Printing Office Style Manual switched from *h* to *j*, after a meeting in what one may assume was not a smoke-filled room.

In an accompanying opinion in Malley vs. Briggs, which is becoming known in legal circles as "Marihuana vs. Marijuana," Justice Lewis F. Powell Jr. used both spellings in a footnote's single sentence: "A trial, Mrs. Briggs denied seeing any marihuana at that party or receiving a marijuana cigarette."

Powell is a careful fellow, and one of the court's most courtly friends say he did that because his opinion was a partial concurrence and a partial dissent. If so, that is one of the subtlest and most effective digs at a fellow jurist in modern legal history.

Queried about this through a Supreme Court spokesman, Henry C. Lind, the reporter of decisions, says only that, on review of the controversy, the justices decided to change the court stylebook to conform with the modern *j* spelling. No reasons given: the Supreme Court sometimes acts that way, and we'll never know the judicial tugging and hauling that went into it. "Henry Lind says that's it," reports the spokesman.

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